

**FEDERAL FISCAL YEAR 2018
MONITORING REPORT
ON THE
NORTH CAROLINA DIVISION OF
VOCATIONAL REHABILITATION
SERVICES
VOCATIONAL REHABILITATION
AND
SUPPORTED EMPLOYMENT PROGRAMS**



**U.S. Department of Education
Office of Special Education and
Rehabilitative Services
Rehabilitation Services Administration**

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SECTION 1: THE FEDERAL MANDATE AND SCOPE OF THE REVIEW

A. Background

Section 107 of the Rehabilitation Act of 1973 (Rehabilitation Act), as amended by Title IV of the Workforce Innovation and Opportunity Act (WIOA), requires the Commissioner of the Rehabilitation Services Administration (RSA) to conduct annual reviews and periodic on-site monitoring of programs authorized under Title I of the Rehabilitation Act to determine whether a vocational rehabilitation (VR) agency is complying substantially with the provisions of its State Plan under section 101 of the Rehabilitation Act and with the evaluation standards and performance indicators established under section 106 of the Rehabilitation Act subject to the performance accountability provisions described in section 116(b) of WIOA. In addition, the Commissioner must assess the degree to which VR agencies are complying with the assurances made in the State Plan Supplement for Supported Employment Services under Title VI of the Rehabilitation Act.

Through its monitoring of the State Vocational Rehabilitation Services program (VR program) and the State Supported Employment Services program (Supported Employment program) administered by the North Carolina Division of Vocational Rehabilitation Services (NC DVRS) in Federal fiscal year (FFY) 2018, RSA:

- Assessed the performance of the VR and the Supported Employment programs with respect to the achievement of quality employment outcomes for individuals with disabilities, including those with significant and most significant disabilities;
- Identified strategies and corrective actions to improve program and fiscal performance related to the following focus areas:
 - Performance of the VR Program;
 - Transition Services, including Pre-Employment Transition Services, for Students and Youth with Disabilities;
 - Supported Employment program;
 - Allocation and Expenditure of VR and Supported Employment Program Funds; and
 - Joint WIOA Final Rule Implementation.

In addition, RSA reviewed a sample of individual case service records to assess internal controls for the accuracy and validity of RSA-911 data, and provided technical assistance to the VR agency to enable it to enhance its performance.

The nature and scope of this review and the process by which RSA carried out its monitoring activities, including the conduct of an on-site visit from July 30 through August 2, 2018, is described in detail in the [FFY 2018 Vocational Rehabilitation Program Monitoring and Technical Assistance Guide](#).

B. Review Team Participants

Members of the RSA review team included Sean Barrett (Fiscal Unit); Caneshia McAllister (Technical Assistance Unit); Brian Miller, Shannon Moler and David Wachter, (Vocational Rehabilitation Unit); and Yann-Yann Shieh (Data Collection and Analysis Unit). Although not all team members participated in the on-site visit, each contributed to the gathering and analysis of information, along with the development of this report.

C. Acknowledgements

RSA wishes to express appreciation to the representatives of NC DVRS for the cooperation and assistance extended throughout the monitoring process. RSA also appreciates the participation of others, such as the State Rehabilitation Council (SRC), the Client Assistance Program (CAP), advocates, and other stakeholders in the monitoring process.

SECTION 2: FOCUS AREA – PERFORMANCE OF THE STATE VOCATIONAL REHABILITATION SERVICES PROGRAM

A. Purpose

Through this focus area, RSA assessed the achievement of employment outcomes, including the quality of those outcomes, by individuals with disabilities served in the VR program by conducting an in-depth and integrated analysis of core VR program data and review of individual case service records. The analysis below, along with any accompanying observations, recommendations, or findings, is based on a review of the programmatic data contained in Tables 1 through 9 found in Appendix A of this report. The data used in the analysis are those collected and reported by VR agencies based on Policy Directive 14-01, which was implemented prior to changes in reporting requirements in section 101(a)(10) of the Rehabilitation Act made by WIOA, as well as the establishment in title I of WIOA of common reporting requirements and performance indicators for all core programs in the workforce development system, including the VR program.

B. Analysis of the Performance of the VR Program

The VR Process

Resources: Program Performance Data Table 1 Summary Statistics from RSA 113: FFYs 2015-2017; Program Performance Data Tables 2a, 2b, and 2c Agency Case Status Information, Exit Status, and Employment Outcomes—FFYs 2015–2017; and Program Performance Data Tables 3a, 3b, and 3c Source of Referral--FFYs 2015-2017

The VR Process: All Individuals

- The number of applications dropped slightly from 22,600 to 21,901 from FFY 2015 to FFY 2017. This explains in part the drop in the number of individuals determined eligible from 22,075 to 19,793 individuals during the same time frame. The percentage of individuals with an individualized plan for employment (IPE) who received no services was relatively high though it declined slightly from 39.3 percent to 36.5 percent over the period reviewed.
- NC DVRS was not operating under an order of selection during the years reviewed, and at the time of this review did not plan to implement an order. NC DVRS emphasized its focus on quality referrals and applications in preparation for new data reporting requirements and the competitive integrated employment focus in WIOA.

Employment Outcomes

Resources: Program Performance Data Tables 2a, 2b, and 2c Case Status Information, Exit Status, and Employment Outcomes—FFYs 2015–2017

Employment Outcomes for All Individuals

- The number of individuals exiting with employment decreased significantly from 6,317 to 3,938 individuals from FFY 2015 through the first three quarters of FFY 2017. Conversely, the number of individuals exiting without employment rose from 5,153 to 6,725 over the same period. As a result, over this period, the employment rate dropped from 55 percent to 36.9 percent.
- Virtually all employment outcomes were competitive.

Employment Outcomes for Youth under Age 25

- The percentage of youth under age 25 exiting with employment decreased from 29.8 percent in FFY 2015 to 24.4 percent during the first three quarters of FFY 2017, or expressed in terms of absolute numbers, from 2,000 individuals to 1,309 individuals. As with overall employment outcomes, youth exited without employment in much higher numbers during the first three quarters of FFY 2017 when compared to FFY 2015, increasing from 1,395 to 1,858, or expressed as percentages, 20.8 percent in FFY 2015 compared to 34.6 percent during the first three quarters of FFY 2017. This led to a significant decline in the employment rate for youth under age 25 at exit from 58.9 percent to 41.3 percent over the period reviewed.
- Average hourly wages for youth rose only 36 cents, from \$8.48 in FFY 2015 to \$8.84 during the first three quarters of FFY 2017. Median hourly wages were even lower at \$8.00 for FFY 2016 and the first three quarters of FFY 2017.

VR Services Provided

Resources: Program Performance Data Tables 7a, 7b, and 7c VR Services Provided—FFYs 2015–2017

VR Services: All Eligible Individuals Served

- The percentage of individuals receiving certain VR services increased significantly during the period under review. The percentage of individuals who received job readiness training rose from 16.8 percent to 27.0 percent. The percentage who received job search assistance increased from 9.5 percent to 49.5 percent. The percentage who received job placement services increased from 23.1 to 55.3 percent. The percentage of individuals who received supported employment on the job supports doubled from 15.0 to 30.7 percent. The service most often purchased by NC DVRS was diagnosis and treatment of impairments, which rose from 76.1 percent to 80.0 percent of all individuals served.
- NC DVRS asserted during on-site discussions that the high rate of diagnostic services can be accounted for by the conduct of medical evaluations, and not the provision of high cost medical treatments. Even so, when factoring out youth, 83.9, 86.3, and 87.7 percent, respectively, of participants received diagnostic and treatment of impairment services over the period reviewed.
- In the first three quarters of FFY 2017, few individuals received post-secondary educational services. Only 0.1 percent of all individuals served received support for graduate school, 6.2 percent received support for bachelor's degree, and another 7.7

percent received junior college training. These percentages were consistent across the years reviewed.

- The percentage of individuals receiving vocational training rose from 16.4 percent in FFY 2015 to 21.2 percent in FFY 2016, and then declined to 15.2 percent in the first three quarters of FFY 2017. There was an increase in those who received remedial academic training from 1.0 to 6.1 percent over the period reviewed. NC DVRS reported no individuals as participating in registered apprenticeships.

VR Services: Youth under Age 25 Served

- The percentage of individuals under age 25 at exit who received job readiness training rose from 37.2 to 48.5 percent, job search assistance rose from 7.5 to 45.5 percent, and job placement services rose from 28.3 to 54.8 percent from FFY 2015 through the first three quarters of FFY 2017. In FFY 2017, 61.8 percent of these youth received diagnostic and treatment of impairment services, compared to 80.0 percent for all individuals served.
- The percentages of youth who received support for graduate, bachelor's, or junior college training were the same or lower (in the case of junior college training) than for the overall population served. A slightly higher percentage of youth received occupational or vocational training at 18.9, 23.2, and 17.2 percent in FFYs 2015, 2016, and the first three quarters of 2017 respectively. The percentage of youth who received remedial academic training rose significantly, however, from 3.2 to 20.1 percent over the period reviewed.

Outcomes by Disability Type

Resources: Program Performance Data Tables 4a, 4b, and 4c Agency Outcomes by Disability Type—FFYs 2015–2017

Outcomes for All Individuals by Disability Type

- Forty (40.0) percent of individuals served in the first three quarters of FY 2017 reported psycho-social disabilities as their primary disability, 32.6 percent had intellectual and learning disabilities, and 23.1 percent had physical disabilities. By disability type, the employment rate for individuals with intellectual disabilities was 40.3 percent in the first three quarters of FFY 2017, down from 58.6 percent in FFY 2015. During the first three quarters of FFY 2017, the employment rate for individuals with psycho-social disabilities was 34.3 percent and that for individuals with physical disabilities was 34.4 percent. These percentages of individuals served by disability type and employment rates were consistent across the two periods reviewed.

Outcomes for Youth under Age 25 by Disability Type

- During the review period, fully two-thirds of youth served had intellectual disabilities and another 26.1 percent had psycho-social disabilities. The employment rate for youth under 25 with intellectual or learning disabilities was 58.9 percent in FFY 2015 though it dropped to 40.8 percent in the first three quarters of FFY 2017.

- NC DVRS stated it is seeking to expand the range of disability types referred from schools but recognizes that the majority of those referred and served have intellectual disabilities.

Compliance with the Statutory Time Frame for Application to Eligibility Determination

Resources: Tables 5a, 5b, and 5c Number of Days from Application to Eligibility Determination—FFYs 2015–2017

Eligibility Time Frames for All Individuals

- 83.9, 86.0, and 87.0 percent of all applicants were determined eligible within 60 days in FFY 2015, FFY 2016, and the first three quarters of FFY 2017, respectively.

Eligibility Time Frames for Youth Under Age 25

- 78.7, 81.4, and 82.6 percent of youth received an eligibility determination within 60 days in FFY 2015, FFY 2016, and the first three quarters of FFY 2017, respectively.

Compliance with the Statutory Time Frame from Eligibility Determination to IPE Development

Resources: Tables 6a, 6b, and 6c Number of Days from Eligibility Determination to IPE—FFYs 2015–2017

IPE Development Time Frame for All Individuals

- In FFY 2015, 91.1 percent of individuals had an IPE developed within 90 days of eligibility determination, but in FFY 2016, it dropped to 83.0 percent, and to 81.9 percent in the first three quarters of FFY 2017.

IPE Development Time Frame for Youth under Age 25

- 89.4, 82.8, and 79.8 percent of youth had an IPE developed within 90 days from the determination of eligibility in FFY 2015, FFY 2016, and the first three quarters of FFY 2017, respectively, consistent with the decline in the agency’s performance for all individuals.

Types of Occupational Outcomes for Individuals Who Achieved Employment

Resources: Tables 8a, 8b, and 8c Standard Occupational Classification (SOC) Codes Percentages of Employment Outcomes and Median Hourly Earnings for Individuals Who Achieved Competitive Employment Outcomes at Closure - FFYs 2015-2017

Occupational Outcomes for All Individuals

- Based on standard occupational classifications (SOC) codes, the largest percentages of all individuals who exited the program after receiving services achieved employment in food preparation, with 18.2, 19.8, and 19.9 percent obtaining this type of employment from FFY 2015 through the first three quarters of FFY 2017. These individuals earned an average hourly wage of \$7.50, \$7.53, and \$8.00 over the period reviewed. Data for the first three quarters of FFY 2017 show that 14.8 percent of these individuals achieved employment in building and grounds cleaning and maintenance with an average hourly wage of \$8.25, 15.9 percent achieved employment in office and administrative support with an average hourly wage of \$9.00, and 12.1 percent achieved employment in transportation and material moving occupations with an average hourly wage of \$9.00.

Occupational Outcomes for Youth under Age 25

- There was a similar distribution for youth across SOC codes, with more in food prep than with the overall population of individuals served at 25.6, 26.8, and 27.2 percent over the period reviewed. These youth earned an average wage of \$7.50 per hour.

Reasons for Exit for Individuals Who Did Not Achieve an Employment Outcome

Resources: Tables 9a, 9b, and 9c Reason for Exit for All Individuals Who Did Not Achieve an Employment Outcome at Closure- FFYs 2015-2017

Reasons for Exit for All Individuals

- The reason most often reported for the exit of individuals from the VR program was “All other reasons” at 52.4, 56.1, and 56.4 percent in FFY 2015, FFY 2016, and the first three quarters of FFY 2017. The second most reported reason for exit was “unable to contact,” at just under 40 percent across the three years reviewed.

Reasons for Exit for Youth under Age 25

- NC DVRS reported the reasons youth under 25 exited the VR program at similar rates as it did for all individuals, with the reason most often reported as “all other reasons” at 54.9 percent and “unable to contact” at 39.6 percent across the period reviewed.

C. Internal Controls

The RSA review team assessed performance accountability in relation to the internal control requirements in 2 C.F.R. § 200.303. Internal controls mean a process, implemented by a non-Federal entity, designed to provide reasonable assurances regarding the achievement of objectives in the effectiveness and efficiency of operations, reliability of reporting for internal and external use, and compliance with applicable laws and regulations. Internal controls are established and implemented as a measure of checks and balances to ensure proper expenditure

of funds. Internal controls serve to safeguard assets and prevent fraud, waste, abuse, and mismanagement. They include methods and procedures the grantee uses to manage the day-to-day operations of grant-supported activities to assure compliance with applicable Federal requirements and that performance goals are being achieved.

Policies and Procedures

NC DVRS provided policies and procedures regarding the Case Service Report (RSA-911) internal control process to ensure data accuracy, reliability, and timely submission. These policies and procedures included the following documents:

1. C15 Vocational Rehabilitation—Reporting Narrative;
 2. Interim Policy and Procedure Directive #03-2018: Documents to be Signed and Retained in the Case Record;
 3. Rev. RSA-911 Edit Check SOP (draft);
 4. Section 4-1: Timeliness of the Comprehensive Assessment;
 5. Section 5-1: IPE General Information; and
 6. Section 6-1: Successful Employment Outcomes after IPE Completion-Case Status Code 26.
- In FFY 2017, NC DVRS had posted a request for proposal for a new case management system. The system used at the time of this review was launched in 2014. NC DVRS anticipated implementation of its new system in July 2020; however, since the time of the visit, the implementation had become delayed and the revised go-live date is currently December 2021. The agency explained that it anticipates the new system to be more intuitive and allow for data to be collected more efficiently so as to reduce burden on these employees and maximize their time providing VR services.
 - Quality development specialists provide training and reinforce quality assurance through the conduct of case reviews. There are four specialists in the West region, four in the Central region, and three in the East region. Agency staff stated that each quality development specialist was very helpful.
 - Currently, VR counselors enter information in the existing case management system for the RSA-911 report. NC DVRS conducts edit checks at the State level, divides errors by caseload, and returns them to staff for corrections. Other NC DVRS Planning and Evaluation staff also may attempt to resolve errors in consultation with field staff, as needed.
 - At the time of this review, NC DVRS was in the process of obtaining approval of a draft policy to support RSA-911 data accuracy.

Data Verification Review

During the on-site monitoring review with NC DVRS, RSA conducted a review of 30 service records. These service records were comprised of case information for individuals who did and did not achieve competitive integrated employment by September 30, 2017, and were reviewed in order to verify and ensure that the documentation in the case service record was accurate, complete and supported the data entered into the RSA-911 with respect to the following: date of

application, date of eligibility determination, date of IPE, start date of employment in primary occupation, employment outcome at exit, weekly earnings at employment, type of exit, and date of exit. Of the 30 cases reviewed, 26 were closed as having achieved competitive integrated employment, and four were closed with no employment outcome. Of the 26 cases closed as having achieved competitive integrated employment status, five were supported employment cases.

NC DVRS uses an electronic case management system to maintain a service record for each applicant and eligible individual receiving services, as required under 34 C.F.R. § 361.47, and also maintains paper documents of individual case records in a separate hard copy file. Of the 30 service records reviewed, 27 or 90 percent included the correct date of application, and 28 or 93 percent included the correct date of eligibility determination. The date of the most recent or amended IPE reported in the RSA-911 matched the date on the source documentation in 19 of the 30 cases reviewed, resulting in an accuracy rate of 63 percent for that element. Also, 22 or 84.6 percent of the 26 service records with a start date of employment included the correct start date of employment. Lastly, 11 or 42 percent of the 26 service records closed as having achieved competitive integrated employment included verification of the employment outcome at exit, while 12 or 46 percent included verification of the hourly wage at exit. It should be noted that 100 percent of the cases reviewed for both type of exit and date of exit reported on the RSA-911 matched the source documentation.

The on-site case review yielded the following:

- Each of the 30 cases reviewed had a paper file and an electronic file.
- The date of application reported in the RSA-911 matched the date on the source documentation in 27 of the 30 cases reviewed, resulting in an accuracy rate of 90.0 percent for that element. In some instances, the date entered into the case management system did not match the signature dates on the hard copy application in the case file. Reportedly, the agency's case management system has the ability to back date if an application is taken one day and entered on a different date, but the practice is not encouraged.
- The date of eligibility determination reported in the RSA-911 matched the date on the source documentation in 28 of the 30 cases reviewed, resulting in an accuracy rate of 93.0 percent for that element. In one case, the signature dates on the paper copy of the eligibility determination did not match the date entered into the case management system. In the other case, the VR counselor did not sign the paper copy of the eligibility determination in the case file.
- The date of the most recent or amended IPE reported in the RSA-911 matched the date on the source documentation in 19 of the 30 cases reviewed, resulting in an accuracy rate of 63.0 percent for that element. In most cases, the date entered into the case management system did not match the signature dates on the paper copy of the IPE in the case file. In other cases, the paper copy of the IPE was missing signatures either of the consumer or the counselor. It was noted on some IPEs that they were being mailed for signature but there was no documentation that they were returned or signed by the consumer.

- The start date of employment in primary occupation reported in the RSA-911 matched the date on the source documentation in 22 of the 26 cases reviewed that included a start date of employment, resulting in an accuracy rate of 84.6 percent for that element. In most instances, there was no supporting documentation or case note to support the start date reported. In other instances, the date entered into the case management system did not match what was reported in the supporting documentation or the case note stated that the start date was based on consumer self-report.
- The employment outcome at exit reported in the RSA-911 was based on supporting documentation in 11 of the 26 cases that achieved competitive integrated employment reviewed, resulting in an accuracy rate of 42.0 percent for that element. In all cases noted as inaccurate, the employment outcome at exit was not supported by documentation from an employer or other source. NC DVRS reported that requiring this supporting documentation would require a change in its current policy.
- The hourly wage at exit reported in the RSA-911 matched the date on the source documentation in 12 of the 26 cases that achieved competitive integrated employment reviewed, resulting in an accuracy rate of 46.0 percent for that element. In some instances, the hourly wage at exit was not verified with supporting documentation. As mentioned above, it was reported that requiring this supporting documentation would generate a need to change current policy. In one instance, the hourly wage at exit entered into the case management system did not match what was reported in the supporting documentation from community rehabilitation programs providing job placement or supported employment services.
- The type of exit reported in the RSA-911 matched the source documentation in 30 of the 30 cases reviewed, resulting in an accuracy rate of 100 percent for that element. In all instances, the type of exit was reported correctly in the closure letter, which is automatically generated in the case management system.
- The date of exit reported in the RSA-911 matched the source documentation in 30 of the 30 cases reviewed, resulting in an accuracy rate of 100 percent for that element. In all instances, the date of exit was reported correctly in the closure letter.

D. Observations and Recommendations

RSA's review of the performance of NC DVRS in this focus area resulted in the identification of the following observations and recommendations to improve performance.

Observation 2.1 – Internal Controls and Documentation

Observation: NC DVRS' service records reviewed do not contain all proper documentation for purposes of maintaining appropriate internal controls. As noted above, some service records did not include the correct dates for the most recent or amended IPE in that the signature dates of the applicant or eligible individual did not match what was recorded in the electronic case management system. In most cases in which errors were found, the date entered into the case management system did not match the signature dates on the paper copy of the IPE in the case file. In other cases, the paper copy of the IPE was missing signatures of either the applicant or eligible individual or the counselor.

It was noted that some IPEs and IPE amendments were being mailed to applicants or eligible individuals for signatures, but there was no documentation that the IPEs were returned to the agency. The agency asked about the date that should be entered for an IPE that is mailed to an applicant or eligible individual and then returned weeks or months after it is generated in the system. When asked about the ability of the system to backdate if an application or IPE is signed one day and then entered into the system on another day, the agency reported that it has the ability to do this but the practice is not encouraged.

Additionally, it was noted in some cases that the start date of employment in the primary occupation, the employment outcome at exit, and the hourly wage at exit were not verified by supporting documentation. The agency reported that requiring this supporting documentation would be a change in its current policy.

Recommendations 2.1

RSA recommends that NC DVRS:

2.1.1 Evaluate and update policy, procedures, and training to staff related to internal controls to ensure that VR counselors obtain the correct supporting documentation for start date of employment, employment outcome at exit, and wages at exit;

2.1.2 Evaluate and update policy, procedures, and training to staff related to internal controls to ensure data integrity and the proper recording of signature dates in the agency's electronic case management system; and

2.1.3 Ensure that future electronic case management systems utilize appropriate internal controls to ensure that documentation in the case service record is accurate, complete, and supportive of the data entered into the RSA-911.

Agency Response: The agency acknowledges room for improvements as recommended. It is currently pursuing access to databases in order to improve availability of reliable supporting documentation in addition to reinforcing these recommended practices through ongoing training efforts. Further, the agency is actively participating in implementation of the replacement case management system and its utilization of appropriate internal controls. The current anticipated go-live date of the replacement case management system is December 2021.

Request for Technical Assistance: No immediate need for technical assistance is identified; however, the agency appreciates RSA's ongoing commitment to making technical assistance readily available upon request.

Observation 2.2 – Quality of Employment Outcomes and Documentation

Observation: The performance analysis above shows that the quality of employment outcomes achieved by individuals with disabilities served by NC DVRS is low when measured in terms of wages and types of job outcomes, and has not improved substantially over the years reviewed and using the data reported to RSA. Specifically:

- The average hourly wage for individuals exiting with competitive integrated employment rose 36 cents over the three years reviewed, from \$8.48 to \$8.84. The median hourly wage was lower at \$8.00 for FFY 2016 and the first three quarters of FFY 2017.
- Very few individuals served by NC DVRS received postsecondary educational services, including support for graduate school. Approximately six percent received bachelor's degree support, and another eight percent received junior college training. Approximately 16.4 percent received vocational training in FFY 2015 and during the first three quarters of FFY 2017, with the percent increasing to 21.2 percent in FFY 2016. There was an increase in those who received remedial academic training though this remained a relatively low percentage. No individuals participated in apprenticeships.
- The percentage of youth receiving support for graduate, bachelor's, or junior college was the same or lower (in the case of junior college) than for the overall population served. A slightly higher percentage of youth received occupational or vocational training with 18.9, 23.2, and 17.2 percent in FFY 2015, 2016, and the first three quarters of FFY 2017, respectively. The percentage of youth who received remedial academic training rose significantly, however, from 3 to 20 percent over the period reviewed.
- During the on-site review, NC DVRS indicated that it was aware of these performance results and it was actively implementing strategies to increase the numbers of individuals receiving postsecondary services in support of employment and career advancement.
- NC DVRS offered internal data that showed improved performance in terms of the median wages for individuals achieving employment outcomes.
- When looking at the broad classifications of job outcomes, as derived from SOC codes, most of the employment outcomes achieved were in low-wage, non-career level occupations. For example, the largest category of job outcomes in the first three quarters of FFY 2017 for all individuals served was in food prep, at 19.9 percent, with a median wage of \$8.00 an hour. The next three most common categories of outcomes include: building and grounds cleaning and maintenance at 13.6 percent with a median wage of \$8.00 an hour, office and administrative support at 14.9 percent with a median hourly wage of \$9.00, and Transportation and material moving occupations at 12.1 percent with a median hourly wage of \$9.00. Taken together, these three categories account for 60.5 percent of all employment outcomes in the first three quarters of FFY 2017.

NC DVRS noted during the on-site review that it was tracking closely the types of outcomes achieved by individuals served and was developing strategies in conjunction with its workforce development partners to diversify the range and scope of outcomes while increasing the quality of employment outcomes.

Recommendations 2.2

RSA recommends that NC DVRS:

- 2.2.1** Develop measurable goals and strategies to improve the agency's performance in terms of maximizing and improving the quality of employment outcomes;
- 2.2.2** Assess the quality of employment outcomes achieved by individuals who attended various levels of postsecondary education in comparison to those who did not; and

2.2.3 Assess the effect of various job-related services (e.g., job placement assistance) on the quality of an individual's employment outcome.

Agency Response: The agency agrees with these recommendations.

Request for Technical Assistance: No immediate need for technical assistance is identified; however, the agency appreciates RSA's ongoing commitment to making technical assistance readily available upon request.

E. Findings and Corrective Actions

RSA's review of the performance of NC DVRS in this focus area resulted in the identification of the following findings and the corresponding corrective actions to improve performance.

2.1 Timely Eligibility Determination

Issue: Is NC DVRS determining the eligibility of applicants for VR services within the required 60-day Federal time frame from the date of application.

Requirement: Under 34 C.F.R. § 361.41(b)(1), eligibility determinations are to be made for individuals who have submitted an application for VR services, including applications made through common intake procedures in one-stop centers under section 121 of WIOA, within 60 days, unless there are exceptional and unforeseen circumstances beyond the control of the designated State unit (DSU) and the individual and DSU agree to a specific extension of time or an exploration of the individual's abilities, capabilities, and capacity to perform in work situations is carried out in accordance with 34 C.F.R. § 361.42(e).

Analysis: As part of the monitoring process, RSA analyzed the length of time it took for NC DVRS to make eligibility determinations for VR applicants. Data reported by NC DVRS on the RSA-911 show that:

- 83.8, 86.0, and 87.0 percent of all individuals served whose service records were closed in FFY 2015, FFY 2016, and the first three quarters of FFY 2017, respectively, had an eligibility determination made within the required 60-day period; and
- Of the total number of youth under age 25 at exit served whose service records were closed in FFY 2015, FFY 2016, and the first three quarters of FFY 2017, 78.7, 81.4, and 82.6 percent, respectively, had an eligibility determination made within the required 60-day period.

The above data demonstrate the agency's continued improvement over the period under review.

During the on-site monitoring visit, NC DVRS reported that it identified timely eligibility determinations as a performance priority and shared its procedures for reviewing VR counselor determinations to ensure the quality and accuracy of VR counselor determinations.

Conclusion: As demonstrated by performance data, NC DVRS did not make eligibility determinations within the required 60-day period for all individuals whose service records were closed in FFY 2015, FFY 2016, and the first three quarters of FFY 2017. As a result of the

analysis, RSA determined that the agency did not satisfy the eligibility determination requirements in 34 C.F.R. § 361.41(b)(1).

Corrective Action Steps:

RSA requires that NCDVRS:

- 2.1.1** Comply with 34 C.F.R. § 361.41(b)(1) by making eligibility determinations within the required 60-day period;
- 2.1.2** Assess and evaluate VR counselor performance and identify effective practices that ensure timely eligibility determinations are made within 60 days from the date of application, including the use of case management tools for, and supervisory review of, timely eligibility determinations; and
- 2.1.3** Develop procedures for VR counselors and supervisors to track and monitor timely and untimely eligibility determinations.

Agency Response: The agency acknowledges the need for improvement in compliance with 34 C.F.R § 361.41 (b)(1) eligibility determination requirements and continued commitment to its improvement in this performance measure. The agency will make procedural revisions to monthly monitoring reports to evaluate counselor performance. Effective practice guides will be developed for counselor and supervisory staff and the use of case management tracking tools will be incorporated to the extent possible with the current and future case management systems in order to increase compliance.

Request for Technical Assistance: No immediate need for technical assistance is identified; however, the agency appreciates RSA's ongoing commitment to making technical assistance readily available upon request.

2.2 Untimely Development of the IPE

Issue: Did NC DVRS develop IPEs within 90 days from the date of eligibility determination for each individual applicant.

Requirement: In accordance with 34 C.F.R. § 361.45 (a), the VR services portion of the Unified or Combined State plan must assure that an IPE meeting the requirements of this section and 34 C.F.R. § 361.46 is developed and implemented in a timely manner for each individual determined to be eligible for VR services or, if the DSU is operating under an order of selection pursuant to 34 C.F.R. § 361.36, for each eligible individual to whom the State unit is able to provide services; and that services will be provided in accordance with the provisions of the IPE. In addition, under 34 C.F.R. § 361.45(e), the IPE must be developed as soon as possible, but not later than 90 days after the date of eligibility determination, unless the State unit and the eligible individual agree to the extension of that deadline to a specific date by which the IPE must be completed.

Analysis: As part of the monitoring process, RSA analyzed the length of time it took NC DVRS to develop IPEs for individuals determined eligible for VR services. In particular, FFY 2016 data reported by NC DVRS on the RSA-911 show that:

- Seventeen percent, or 830 individuals served whose service records were closed in FFY 2016, did not have an IPE developed within the required 90 days;
- Eighteen percent, or 1,039 individuals, did not have an IPE developed in the required 90 days in the first three quarters of FFY 2017; and
- The percentage of youth under age 25 at exit who had an IPE developed in the required 90 days dropped from 89.4 to 79.8 percent from FFY 2015 through the first three quarters of FFY 2017, resulting in 33, 209, and 311 youth not having an IPE in place 90 days after eligibility determination for the period reviewed.

Conclusion: As the performance data demonstrate, NC DVRS did not develop IPEs for each eligible individual whose service record was closed within 90 days following the date of eligibility determination. As a result of the analysis, NC DVRS did not develop IPEs in a timely manner pursuant to 34 C.F.R. § 361.45(a)(1) and within the Federally required 90-day period pursuant to 34 C.F.R. § 361.45(e).

Corrective Action Steps:

RSA requires that NC DVRS:

2.2.1 Comply with 34 C.F.R. §§ 361.45(a)(1) and (e) to ensure IPEs are developed within the 90-day Federal timeframe from the date of eligibility determination;

2.2.2 Assess and evaluate current procedures for tracking and monitoring VR counselor performance and efficient practices used by high performing VR counselors and supervisors to ensure timely IPE development, including the use of case management tools for, and supervisory review of, timely IPE development and extensions; and

2.2.3 Develop goals and strategies to improve VR counselor performance specific to timely IPE development.

Agency Response: The agency acknowledges the need for improvement in compliance with 34 C.F.R § 361.45 (a)(1) and (e) timely IPE development and continued commitment to its improvement in this performance measure. The agency will make procedural revisions to monthly monitoring reports to evaluate counselor performance. Effective practice guides will be developed for counselor and supervisory staff and the use of case management tracking tools will be incorporated to the extent possible with the current and future case management systems in order to increase compliance.

Request for Technical Assistance: No immediate need for technical assistance is identified; however, the agency appreciates RSA's ongoing commitment to making technical assistance readily available upon request.

F. Technical Assistance

During the course of monitoring activities, RSA provided technical assistance to NC DVRS as described below.

- RSA reviewed 2 C.F.R. § 200.303 outlining the requirements NC DVRS must follow regarding internal controls as a non-Federal entity receiving Federal funds. RSA discussed how enhanced internal controls would help NC DVRS ensure the accuracy and validity of the data being collected and reported to RSA. RSA explained that data from the RSA-911 are used to calculate performance indicators for the VR program reported to Governors, Congress, and the public to ensure that the VR program is functioning at a level that meets expectations. The RSA-911 is also a tool used for fiscal reporting. RSA reiterated that it is imperative that a system of internal controls be implemented as a measure of checks and balances to ensure proper expenditure of funds;
- RSA provided technical assistance on the use of supplemental wage information, when appropriate, to assist in carrying out the performance accountability requirements under Section 116 of WIOA;
- RSA provided technical assistance to NC DVRS on the development of a customized employment policy;
- RSA provided technical assistance to NC DVRS on strategies to improve its performance on the quality of employment outcome measures such as average hourly wages, and hours worked per week for all outcomes; and
- RSA provided technical assistance to NC DVRS on strategies to improve its performance for the development of the IPE within the required 90 days, given the decline in NC DVRS' performance for this measure during the period under review.

SECTION 3: FOCUS AREA –TRANSITION SERVICES, INCLUDING PRE-EMPLOYMENT TRANSITION SERVICES, FOR STUDENTS AND YOUTH WITH DISABILITIES

A. Purpose

The Rehabilitation Act, as amended by WIOA, places heightened emphasis on the provision of services, including pre-employment transition services under section 113, to students and youth with disabilities to ensure they have meaningful opportunities to receive training and other VR services necessary to achieve employment outcomes in competitive integrated employment. Pre-employment transition services are designed to help students with disabilities to begin to identify career interests that will be explored further through additional VR services, such as transition services. Through this focus area RSA assessed the VR agency's performance and technical assistance needs related to the provision of VR services, including transition services to students and youth with disabilities and pre-employment transition services to students with disabilities; and the employment outcomes achieved by these individuals.

B. Service Delivery Overview

The VR agency must consider various requirements under the Rehabilitation Act and its implementing regulations in designing the delivery of VR services, including pre-employment transition services and transition services. For example, pre-employment transition services provided under section 113 of the Rehabilitation Act and 34 C.F.R. § 361.48(a) are available only to students with disabilities. However, transition services provided for the benefit of a group of individuals under section 103(b)(7) of the Rehabilitation Act and 34 C.F.R. § 361.49(a)(7) may be provided to both students and youth with disabilities. Youth with disabilities who are not students may receive transition-related services identified in an IPE under section 103(a) of the Rehabilitation Act, but may not receive pre-employment transition services because these services are limited to students with disabilities. On the other hand, students with disabilities may receive pre-employment transition services with or without an IPE under section 113 of the Rehabilitation Act, or may receive pre-employment transition services and/or transition services under an IPE in accordance with Section 103(a)(15) of the Rehabilitation Act. A discussion of NC DVRS service delivery system and implementation of VR services, including pre-employment transition services and transition services follows.

Structure of Service Delivery

NC DVRS provides transition and pre-employment transition services to students and youth with disabilities, as appropriate, through three different service delivery models, including purchased services, services provided by NC DVRS staff, and services provided through vendor projects. Services purchased from Community Rehabilitation Programs (CRP) are primarily for transition services to students and youth who have an IPE, and contracted services are used primarily to provide pre-employment transition services to students using funds from the 15 percent reserve.

The VR agency has a State level SEA agreement in place that outlines the responsibilities of the agency and the NC Department of Public Instruction (DPI). This SEA agreement is a model for

91 agreements with local educational agencies (LEA) under which designated staff provide services to students and youth. In districts without agreements, schools are served by VR counselors on an itinerant basis. Each VR counselor is assigned to a school, and NC DVRS reportedly serves everyone who is in need of transition services, including pre-employment transition services, whether or not an agreement is in place. NC DVRS defines a student with a disability as an individual age 14 to 21. The agency defines a youth with a disability as an individual between the ages of 14 and 24.

NC DVRS staff work with local school staff to engage in transition planning for students and youth with disabilities, including planning for pre-employment transition services. NC DVRS staff complete a comprehensive assessment on each eligible individual, which includes consulting the student's or youth's IEP to determine a vocational goal and scope of VR services to be included in the IPE, as appropriate.

Outreach and Identification of Students and Youth

VR managers and staff who serve students with disabilities participate on transition teams annually to conduct a pre-employment transition services needs assessment. The purpose of the needs assessment is to identify students with disabilities who are potentially eligible, identify strategies for sharing information about pre-employment transition services with potentially eligible students, and to determine how pre-employment transition services will be delivered statewide. The local needs assessment information is included in both the Comprehensive Statewide Needs Assessment (CSNA) and the process for determining if the agency can move from required pre-employment transition services to authorized activities. WINTAC assisted NC DVRS and NC Division of Services for the Blind (NC DSB) in the development of a shared process for determining if the agency can move from required pre-employment transition services to authorized activities, which will be updated annually. At the time of the onsite review, the resulting document indicated that there were 64,387 students with disabilities, ages 14 to 21 in the State.

NC DVRS staff perform outreach and disseminate information related to transition and pre-employment transition services across the State at resource fairs and other events for students and youth with disabilities, as well as for family members and other service providers. Regarding outreach to youth with disabilities, NC DVRS policy indicates that it is the VR counselors' responsibility to contact school personnel responsible for coordinating services to students under 504 plans and to conduct surveys to identify eligible youth with disabilities. The policy also indicates that outreach to youth should occur as early as possible during the transition planning process and must include a description of the purpose of the VR program, eligibility requirements, application procedures, and the scope of services that may be provided to eligible individuals.

Provision of Pre-Employment Transition Services

NC DVRS' pre-employment transition services policy outlines the requirements for students to receive pre-employment transition services required activities, and includes verification that the student has a disability and that the parent or guardian of the student must provide consent for

the student to receive pre-employment transition services, as appropriate. However, the policy does not address the continuation of services under an order of selection.

A student with a disability may request pre-employment transition services through a referral form process. The referral form is distributed to school personnel at the beginning of the year by the assigned VR counselor and is not required for students already being served under an IPE. NC DVRS does not track how many students have received a referral form due to requirements of the Family Educational Rights and Privacy Act (FERPA). NC DVRS transition counselors are collocated in some schools and assist with the referral process and the provision of services.

During the review, NC DVRS discussed the difficulty staff have reporting and tracking students with disabilities and the pre-employment transition services provided to those students. NC DVRS also reported that more coordination activities were taking place than it was tracking.

State Educational Agency Agreement

NC DVRS and DPI collaborated on the development and execution of a revised SEA agreement that meets the requirements of 34 C.F.R. § 361.22 and provided joint trainings on its content beginning in 2016. Although the SEA agreement is not binding on LEAs, it serves as a model or template for agreements between NC DVRS and local school districts.

C. Observations and Recommendations

RSA's review of the performance of NC DVRS in this focus area did not result in the identification of observations and recommendations.

D. Findings and Corrective Actions

RSA's review of the performance of NC DVRS in this focus area did not result in the identification of compliance findings and corrective actions to improve performance.

E. Technical Assistance

The RSA review team provided Technical assistance on the following topics:

- The payment of a subminimum wage to youth with disabilities who are participating in assessment or work adjustment as part of VR services. The review team informed NC DVRS that this may depend upon whether the U.S. Department of Labor (DOL) Wage and Hour Division determines that there is an employer-employee relationship and suggested that the agency confer with the DOL Wage and Hour Division on this issue;
- The use of funds reserved for pre-employment transition services on authorized activities after ensuring, through planning, that there are sufficient reserved funds available to deliver pre-employment transition required activities to students with disabilities in the State estimated to be in need of such services;
- The use of the reserved funds for pre-employment coordination activities and the tracking of these activities;
- The continuation of pre-employment transition services for students with disabilities after an order of selection in the event the agency implements an order;

- The provision of transition services to students and youth with disabilities, including career exploration and group mentoring activities, under the services to groups authority in 34 C.F.R. § 361.49(a)(7). Although these services are not individualized, they may still benefit students and youth for whom pre-employment transition services are not available; and
- The agency's pre-employment transition services referral form. Since NC DVRS reported difficulty obtaining parents' signatures on the form, as well as teachers' signatures to verify that the student has a disability, the agency may want to consider revising the form. Basic documentation is necessary to ensure that: (1) students indeed have a disability and, thus, are "potentially eligible" for VR services; and (2) the agency has sufficient information necessary to complete the RSA-911 Case Service Report. To that end, supporting documentation, relevant to the provision of pre-employment transition services, may include:
 - A case note documenting counselor observation, review of school records, statements of education staff; or
 - A referral form for pre-employment transition services with the identification of a student's disability, signed by school staff and parent/guardian if the student is under the age of majority in a State (parental consent to participate in pre-employment transition services is governed by State law, as well as policies of the educational programs and the DSU); or
 - A copy of an IEP document, SSA beneficiary award letter, school psychological assessment, documentation of a diagnosis or disability determination, or documentation relating to accommodations needed under Section 504 of the Rehabilitation Act.

SECTION 4: FOCUS AREA – STATE SUPPORTED EMPLOYMENT SERVICES PROGRAM

A. Purpose

WIOA made several significant changes to title VI of the Rehabilitation Act that governs the Supported Employment program. The amendments to title VI are consistent with those made throughout the Rehabilitation Act to maximize the potential of individuals with disabilities, especially those individuals with the most significant disabilities, to achieve competitive integrated employment and to expand services for youth with the most significant disabilities. Through this focus area RSA assessed the VR agency performance and technical assistance needs related to the provision of supported employment services to individuals with the most significant disabilities and extended services for youth with the most significant disabilities; and the employment outcomes achieved by these individuals.

B. Overview of Service Delivery and Performance of the Supported Employment Program

Delivery of Supported Employment Services

NC DVRS provides supported employment services through two types of contracts with CRPs, including milestone-based contracts and performance-based funding contracts which bundle services into comprehensive service packages. Under these contracts, the individual placement and support (IPS) model of service delivery represents approximately five percent of the agency's supported employment program, accounting for 157 milestone payments out of 7400 in FFY 2017. There are 35 IPS teams across the State, serving individuals with mental health disabilities. NC DVRS also provides supported employment services through 12 Project Search sites across the State.

NC DVRS updated its supported employment policies and procedures to reflect new requirements under WIOA, except for those related to the provision of extended services, supported employment outcomes on a short-term basis, and customized employment. The agency had requested technical assistance from WINTAC and RSA prior to making these revisions.

In FFY 2017, NC DVRS requested and received 50 percent of the NC DSB supported employment grant as NC DSB could not spend its entire grant, including that portion reserved for supported employment services to youth with disabilities. NC DVRS does not charge administrative costs to the supported employment grant.

Each of the three regions of the State has two specialists who are available to conduct competitive integrated employment studies when there is a question about the integrated nature of a possible employment outcome. Assistant regional directors participate along with the six specialists in making determinations. On-site research is conducted, including interviews of CRP staff who may be making the placement. Approximately seven to ten studies are conducted each month.

NC DVRS reported that it was not aware of anyone applying for VR services as a result of the outreach to individuals required by the provisions of Section 511 of the Rehabilitation Act.

Performance of the Supported Employment Program

A summary analysis of the performance of the Supported Employment program (see Appendix D) generated the following information:

- NC DVRS' supported employment outcomes remained relatively steady at 1,110 in FFY 2015, 1,208 in FFY 2016, and 866 in the first three quarters of FFY 2017.
- NC DVRS reported there were 973 supported employment outcomes for the entire FFY 2017, but RSA also noted that this was an error, as 33 cases were mistakenly coded as supported employment despite not receiving any paid supported employment services. There appears to be some confusion among field staff about how to code for short-term versus long-term supported employment services.
- The average hourly wage rose only slightly from \$7.52 in FFY 2015 to \$8.00 in FFY 2016 and the first three quarters of FFY 2017.
- The average hours worked per week were 20, 22, and 18 respectively, for each of the three years in the period under review.
- The five services most often provided in the first three quarters of FFY 2017 were: assessment, nearly 100.0 percent; on-the-job supports, 86.8 percent; job placement, 83.3 percent; diagnosis, 67.0 percent; other, 47.8 percent.
- In the first three quarters of FFY 2017, the five employment outcomes by SOC code most often achieved by individuals in supported employment were: Food preparation at 33.9 percent, with an average wage of \$7.86; building and grounds cleaning and maintenance, 20.1 percent, \$8.00; office admin, 14.0 percent, \$8.25; transportation, 11.0 percent, \$8; and personal care, 7.9 percent, \$8.00.

C. Observations and Recommendations

RSA's review of NC DVRS' performance in this focus area did not result in the identification of observations and recommendations.

D. Findings and Corrective Actions

RSA's review of NC DVRS' performance in this focus area did not result in the identification of compliance findings and corrective actions.

E. Technical Assistance

During the course of monitoring activities, RSA provided technical assistance to NC DVRS as described below.

- NC DVRS requested technical assistance on how to manage the provision of extended services. A draft policy describes extended services as occurring under status 32, "post employment." The service record should remain open until the VR

program is not providing any services and the individual is stable in competitive integrated employment and receiving services from other agencies.

SECTION 5: FOCUS AREA – ALLOCATION AND EXPENDITURE OF STATE VOCATIONAL REHABILITATION SERVICES AND STATE SUPPORTED EMPLOYMENT SERVICES PROGRAM FUNDS

A. Purpose

Through this focus area RSA assessed the fiscal accountability of the VR and Supported Employment programs to ensure that: funds are being used only for intended purposes; programs have sound internal controls and reliable reporting systems; available resources are maximized for program needs; and funds support the achievement of employment outcomes for individuals with disabilities, including youth with disabilities and individuals with the most significant disabilities.

B. Overview and Analysis

NC DVRS and NC DSB share a fiscal staff supervisor. Staff from both agencies collaborate extensively and are governed by some of the same policies/procedures. As a result, the fiscal portions of the monitoring reports are similar. Please note that NC DSB will be referenced below solely because of the close interaction between NC DVRS and NC DSB fiscal staff and systems, including numerous aspects which are identical and inter-related. However, any findings or issues discussed below should be considered relevant only to NC DVRS. NC DSB's information will be detailed in the NC DSB monitoring report.

RSA reviewed NC DVRS' internal control policies and procedures for the allocation and expenditure of VR and Supported Employment program funds, fiscal internal control process manuals, and a number of contracts, leases and agreements spanning a variety of agency functions. Additionally, NC DVRS staff demonstrated how the case management system functions and how costs are tracked, monitored for fraud, and aggregated for Federal reports.

NC DVRS has neither policies nor procedures for submitting expenditure requests to RSA for prior approval. The agency had not submitted any prior approval requests since the implementation of the Uniform Guidance.

NC DVRS has an approved cost allocation plan through its cognizant agency, the Department of Health and Human Services. Front line staff expenditures are typically charged 100 percent to the respective program, which is documented through time sheets and certified by supervisors. Supervisor costs are allocated based on the programs where their staff work.

Match, Maintenance of Effort (MOE), and Federal Funds

From FFY 2015-2017, match was provided predominantly from expenditure of State appropriation, ranging from 90.2 percent in FFY in 2015 to 90.4 percent in FFY 2017. The balance of match for all years came from what was originally reported to RSA as third-party cooperative arrangements (TPCAs). Further on-site activities revealed that these purported TPCAs were actually inter-agency agreements. NC DVRS had no MOE penalties for any of the years under review.

NC DVRS closely monitors match requirements and can increase or decrease the amount of State funds expended to meet, but not exceed, the requirements. As a practice, expenditure of state funds is prioritized until matching requirements have been met. This process is monitored closely and may result in a change in the percentage of State funds paid for allowable expenditures.

In FFY 2015, NC DVRS expended 100 percent of its Federal VR award in the year of appropriation (first year of award). In FFYs 2016 and 2017, the agency expended 75.6 percent and 69.8 percent, respectively, of its VR award in the year of appropriation. NC DVRS ultimately expended over 90 percent of the total VR award by the end of the period of performance (carryover year): 91.5 percent in FFY 2015; 100.0 percent in FFY 2016; and 99.3 percent in FFY 2017. NC DVRS met the matching requirements necessary to access funds in the carryover year.

NC DSB historically transferred \$2,000,000 each fiscal year to NC DVRS, with the last transfer in FFY 2015. In FFY 2016, the State adjusted the percentage of its VR program funds allotted to each agency so that these transfers of funds were no longer necessary.

C. Findings and Corrective Actions

RSA's conduct of this focus area resulted in the following findings and corrective actions to improve NC DVRS's financial management of the VR program.

5.1 One-Stop Service Delivery System Memoranda of Understanding and Infrastructure Funding Agreements

Issue: Have NC DVRS and NC DSB executed infrastructure funding agreements (IFAs) that satisfy 34 C.F.R. §§ 361.420, 361.500, 361.715, and 361.755, as well as policy guidance issued jointly by the U.S. Departments of Education and Labor (Departments).

Requirement: The DSU has sole responsibility for the VR program's participation as a partner in the one-stop service delivery system (34 C.F.R. § 361.13(c)(1)(v) and (2)). As a required one-stop partner pursuant to 34 C.F.R. § 361.420, the DSU must--

- Use a portion of its funds, consistent with the Rehabilitation Act, as amended by WIOA, and with Federal cost principles in 2 C.F.R. Parts 200 and 3474 (requiring, among other things, that costs are allowable, reasonable, necessary, and allocable), to—
 - Provide applicable career services; and
 - Work collaboratively with the State and local workforce development boards (SWDB AND LWDB) to establish and maintain the one-stop delivery system. This includes jointly funding the one-stop infrastructure through partner contributions that are based upon--
 - A reasonable cost allocation methodology by which infrastructure costs are charged to each partner based on proportionate use and relative benefit received;
 - Federal cost principles; and

- Any local administrative cost requirements in the Federal law authorizing the partner's program. (This is further described in 34 C.F.R. § 361.700.);
- Enter into an MOU with the LWDBs relating to the operation of the one-stop delivery system that meets the requirements of 34 C.F.R. § 361.500(b); and
- Pursuant to 34 C.F.R. § 361.500(a), the MOU and IFA is the product of local discussion and negotiation. It is an agreement developed and executed between the LWDB and the one-stop partners, with the agreement of the chief elected official and the one-stop partners, relating to the operation of the one-stop delivery system in the local area. In accordance with 34 C.F.R. § 361.500(b), each MOU must contain--
- Agreement on funding the costs of the services and the operating costs of the system, including--
 - Funding of infrastructure costs of one-stop centers in accordance with 34 C.F.R. §§ 361.700 through 361.755; and
 - Funding of the shared services and operating costs of the one-stop delivery system described in 34 C.F.R. § 361.760;
- Methods to ensure that the needs of workers, youth, and individuals with barriers to employment, including individuals with disabilities, are addressed in providing access to services, including access to technology and materials that are available through the one-stop delivery system; and
- Assurances that each MOU will be reviewed, and if substantial changes have occurred, renewed, not less than once every 3-year period to ensure appropriate funding and delivery of services.

The MOU may contain any other provisions agreed to by the parties that are consistent with Title I of WIOA, the authorizing statutes and regulations of one-stop partner programs, and the implementing regulations of WIOA (34 C.F.R. § 361.500(c)). When fully executed, the MOU must contain the signatures of the LWDB, one-stop partners, the chief elected official(s), and the time period in which the agreement is effective. The MOU must be updated not less than every 3 years to reflect any changes in the signatory official of the Board, one-stop partners, and chief elected officials, or one-stop infrastructure funding (34 C.F.R. § 361.500(d)). If a one-stop partner appeals to the State regarding infrastructure costs, using the process described in 34 C.F.R. § 361.750, results in a change to the one-stop partner's infrastructure cost contributions, the MOU must be updated to reflect the final one-stop partner infrastructure cost contributions (34 C.F.R. § 361.500(e)).

The Departments provided extensive guidance regarding the operation of the one-stop service delivery system and the funding of its infrastructure costs in the joint regulations ([§](#)), published August 19, 2016. On December 27, 2016, the Departments published a set of frequently asked questions related to the one-stop service delivery system. In this guidance, the Departments indicated that in order to have MOUs in place for PY 2017, which began on July 1, 2017, LWDBs and one-stop partners must enter into MOUs that align with the requirements of WIOA, except for the final IFA, by June 30, 2017. The Departments also indicated that the U.S. Department of Labor (DOL) used its transition authority in section 503(b) of WIOA to extend the implementation date of the final IFAs for PY 2017. With this extension, final IFAs were to be in place no later than January 1, 2018. However, the Departments explained that Governors

had the discretion to require local areas to enter into final IFAs at any time between July 1, 2017, and January 1, 2018. During the extension period, local areas were allowed to use existing funding agreements in place for PY 2016, with any such modifications as the partners may have agreed to, to fund infrastructure costs in the local area. On January 18, 2017, the Departments issued formal policy guidance, which RSA published as technical assistance circulars: RSA-TAC-17-02 and RSA-TAC-17-03. In RSA-TAC-17-02, the Departments reiterated the extended IFA deadline of January 1, 2018.

TAC 17-03 speaks directly to the financial requirements of IFAs and cost allocation. The following material is relevant to issues discussed in this finding.

Uniform Guidance: Federal Cost Principles

Any cost paid for with Federal grant funds must comply with Subpart E, Federal Cost Principles of the Uniform Guidance at 2 C.F.R. Part 200. The Federal Cost Principles, applicable to one-stop partners that are Federally-funded, provide general guidance to be used in developing cost allocation methodologies and in determining if contributions toward infrastructure costs and additional costs are necessary, reasonable, and allocable to their programs based upon relative benefits received. Additionally, all costs must be allowable under, and allocable to, each partner program in accordance with the program's authorizing statute and implementing regulations. In addition, WIOA requires one-stop partners to contribute funding to establish and maintain the one-stop delivery system based on each partner's proportionate use of the system and the relative benefits received (WIOA sec. 121(h)(1)(B)(i) and 121(h)(2)(C); 20 C.F.R. § 678.420(b), 34 C.F.R. § 361.420(b), and 34 C.F.R. § 463.420(b)). One-stop partners must use a reasonable cost allocation methodology in determining appropriate partner contributions based on proportionate use and relative benefits received (20 C.F.R. § 678.420(b)(2)(i), 34 C.F.R. § 361.420(b)(2)(i), and 34 C.F.R. § 463.420(b)(2)(i)).

Proportionate Use

For the purpose of this joint policy guidance, "proportionate use" refers to a partner program contributing its fair share of the costs proportionate to: (1) the use of the one-stop center by customers that may include reportable individuals and participants in its program at that one-stop center; (2) the amount of square footage occupied by the partner program in the one-stop center; or (3) another allocation base consistent with the Uniform Guidance.

Relative Benefit

In determining the proportionate share, the "relative benefit" received from participating in the one-stop delivery system is another step in the cost allocation process. Determining relative benefit does not require partners to conduct an exact or absolute measurement of benefit, but instead to measure a partner's benefit using reasonable methods. The Uniform Guidance, at 2 C.F.R. § 200.4, requires that the process of assigning a cost or group of costs to one or more cost objectives must be in reasonable proportion to the benefit provided. The measurement of a one-stop partner's share of infrastructure costs must be based on reasonable methods that are agreed to by all partners through the LFM or determined in accordance with the SFM. However, as discussed later in this guidance, partner contributions that are initially based on budgeted

amounts must be reviewed and reconciled periodically during the program year against actual costs incurred. Additionally, adjustments must be made to ensure that partner contributions are proportionate to their use of the one-stop center and relative benefits received as required by 20 C.F.R. § 678.715(a)(4), 34 C.F.R. § 361.715(a)(4), and 34 C.F.R. § 463.715(a)(4).

Allocation of Costs

Cost allocation is based upon the premise that Federal programs are to bear an equitable proportion of shared costs based on the benefit received by each program. The allocation of costs must be consistent with the Uniform Guidance. The Uniform Guidance defines “allocation” at 2 C.F.R. § 200.4 and “allocable costs” at 2 C.F.R. § 200.405.”

Analysis: North Carolina contains 23 local workforce development areas, including 81 one-stop centers across the State. RSA reviewed numerous IFA’s and held a teleconference and on-site meetings with NC DVRS and NC DSB. The following funding methodology is taken from the Durham Career Center MOU. NC DVRS and NC DSB confirm that although specific numbers may vary slightly across different MOUs, the basic allocation concepts apply across all IFAs.

Funding Methodology for State VR Services

1. 80 percent based on number of people with disabilities age 18-64 in each county;
2. 13 percent “Disability Density” which is defined as the number of people age 18-64 in the State; and
3. 7 percent county’s relative fair market rent.

This methodology applies to costs attributed to the “State Vocational Rehabilitation Program” which includes both NC DVRS and NC DSB. Costs are further allocated to specific VR programs based on proportion of budget size.

This funding methodology is problematic for the following reasons:

1. It does not determine cost based upon proportionate use of the one-stop centers by consumers of VR services. There is no mechanism to determine the proportion of the population that will become VR consumers and, if they do, whether they will use one-stop center services. As a result, NC DVRS cannot document that the funds paid through the IFA are proportionate to the benefit received by the VR program in accordance with the requirements of 20 C.F.R. § 678.420(b)(2)(i), 34 C.F.R. § 361.420(b)(2)(i), and 34 C.F.R. § 463.420(b)(2)(i).
2. As noted above, the IFA references the State VR Program, as a whole; therefore, NC DVRS and NC DSB are both part of the agreement. Initial IFA costs are allocated to the State VR Program and then the total amount is allocated to NC DVRS and NC DSB based on proportion of each agency’s grant award. This sub-allocation of costs is not based on proportionate use or benefit to the specific VR program and thus has the same issues as the allocation of costs to the State VR program as a whole. The allocation of one-stop costs to a specific VR program must be based on actual costs allocable to the VR program. It is not reasonable to assume that the benefits to each VR program for one-stop center costs would be in proportion to the amount of each agency’s grant award.

3. RSA reviewed several IFAs and can confirm that the State VR program is the only partner program that utilizes presence of people with disabilities in the local area as a basis for funding methodologies. Other one-stop programs also have the legal responsibility to serve people with disabilities; therefore, presence of a disability cannot be used to assume a person with a disability will access only the VR program, or to assume in what proportion programs will be utilized. To ensure uniformity, the way costs are allocated to a particular cost objective through an IFA should be consistent across all one-stop partners to ensure equal treatment of costs.

Conclusion: At the time of the on-site monitoring review, NC DVRS and NC DSB were not using a cost allocation methodology where one-stop infrastructure costs were charged to NC DVRS and NC DSB based on the relative benefit received in accordance with 20 C.F.R. § 678.420(b)(2)(i), 34 C.F.R. § 361.420(b)(2)(i), and 34 C.F.R. § 463.420(b)(2)(i). Both agencies had identified potential methods for measuring use and relative benefit and were beginning the process of amending IFAs. RSA has not yet received any of the new IFAs.

Corrective Actions

RSA requires that NC DVRS and NC DSB:

5.1.1 Develop and institute funding methodologies in IFAs that are VR agency specific and based on proportionate use and relative benefits received for the VR award (20 C.F.R. § 678.420(b)(2)(i), 34 C.F.R. § 361.420(b)(2)(i), and 34 C.F.R. § 463.420(b)(2)(i)).

5.1.2 Once appropriate funding methodologies are identified and implemented, NC DVRS and NC DSB must apply these methods to FFY 2017 and FFY 2018. These figures must then be reconciled against actual expenditures under previous IFAs and submitted to RSA for review. Any differences may need to be refunded to the VR award.

Agency Response: The agency acknowledges the findings and agrees with the recommended corrective actions steps. The agency significantly increased compliance with the requirement in October 2018, with the development of a new cost allocation methodology based on relative benefit received in accordance with 20 C.F.R. The agency will submit the new cost allocation methodology to RSA for review during the corrective action plan process.

Request for Technical Assistance: While RSA was on site, technical assistance was received; however, the agency will not hesitate to request further assistance should its new cost allocation methodology require adjustment.

5.2 Insufficient internal controls – assignment of VR obligations and expenditures to the correct Federal award.

Issue: Does NC DVRS assign obligations and expenditures to the correct Federal award in accordance with 34 C.F.R. § 361.12; 2 C.F.R. §§ 200.77, 200.302, 200.303(a), 200.309; and 34 C.F.R. § 76.702.

Requirements: As a recipient of Federal VR and Supported Employment funds, NC DVRS

must have procedures that ensure the proper and efficient administration of its VR and Supported Employment programs and that enable NC DVRS to carry out all required functions, including financial reporting (34 C.F.R. § 361.12). In accordance with the Uniform Guidance in 2 C.F.R. § 200.302(a), a State's financial management systems, including records documenting compliance with Federal statutes, regulations, and the terms and conditions of the award, must be sufficient to permit the preparation of reports required by general and program specific terms and conditions; and the tracing of funds to a level of expenditures adequate to establish that such funds have been used according to the Federal statutes, regulations, and the terms and conditions of the Federal award. The Uniform Guidance, at 2 C.F.R. § 200.302(b), requires the financial management system of each non-Federal entity to provide for the identification, in its accounts, of all Federal awards received and expended and the Federal programs under which they were received. In addition, 34 C.F.R. § 76.702 requires States to use fiscal control and fund accounting procedures that ensure proper disbursement of and accounting for Federal funds.

Each grant award has a defined "period of performance," which is the time during which the non-Federal entity may incur new obligations to carry out the work authorized under the Federal award (2 C.F.R. § 200.77). A non-Federal entity may charge to the Federal award only allowable costs incurred during the period of performance (2 C.F.R. § 200.309, see also 34 C.F.R. §§ 76.703 and 76.709). Grantees must implement internal controls to ensure obligations and expenditures for a Federal award are assigned, tracked, recorded, and reported within the applicable period of performance for that Federal award, thereby ensuring the grantees are managing the award in compliance with Federal requirements (2 C.F.R. § 200.303(a)). The proper assignment of Federal and non-Federal funds to the correct period of performance is necessary for NC DVRS to correctly account for VR funds so RSA can be assured that the agency has satisfied requirements for, among other things, match (34 C.F.R. § 361.60), MOE (34 C.F.R. § 361.62), and the reservation and expenditure of VR funds for the provision of pre-employment transition services (34 C.F.R. § 361.65(a)(3)).

An obligation means "orders placed for property and services, contracts and sub-awards made, and similar transactions during a given period that require payment by the non-Federal entity during the same or a future period" (2 C.F.R. § 200.71). For expenditures to be allowable under the Federal award, agencies must demonstrate that the obligation occurred within the period of performance of the Federal award. Regulations in 34 C.F.R. § 76.707 explain when a State incurs an obligation for various kinds of services and property. Therefore, in order to properly account for and liquidate expenditures, grantees must be able to assign an obligation to a Federal award based upon the date the obligation was made (34 C.F.R. §§ 76.703 and 76.709). Grantees must assign all Federal and non-Federal obligations and expenditures, on a FFY basis, to the correct Federal award in accordance with the period of performance.

Analysis:

Accounting for Obligations and Expenditures

RSA reviewed the agency's policies and procedures regarding the assignment of Federal and non-Federal obligations and expenditures to the correct Federal award. RSA specifically reviewed documentation of non-administrative charges to NC DVRS' VR award for FFY

2017. RSA also reviewed documentation of obligations and expenditures to ensure NC DVRS was correctly assigning and reporting obligations and expenditures to the proper period of performance and Federal award in accordance with Federal requirements.

In reviewing the supporting documentation, RSA noted that dates associated with expenses were only clearly identified at one point, which after further discussion was identified as when a payment was sent (i.e., a check was written). This date was applied in all situations and was used to determine the FFY to which the expense was obligated. Some expenses had invoices where the invoice number reflected a date, but that practice does not apply to most expenses and was not used to attribute the expense to a specific FFY.

As discussed above, 34 C.F.R. § 76.707 details when certain types of expenses should be considered obligated. Some expenses, such as personal services by an employee of the State or subgrantee are considered obligated when the services are performed while others like acquisition of real or personal property are considered obligated on the date on which the State makes a binding written commitment to acquire the property. The differences here are critical in that assigning obligations and expenditures to the correct Federal award can only be accomplished if dates of obligation are specific to that type of obligation and based on relevant law and regulation. All expenses charged to the NC DVRS award are done based upon when the payment is sent, without regard to the obligation requirements.

During pre-on-site teleconferences, the RSA review team discussed these concerns with NC DVRS, specifically citing the RSA FAQ on Period of Performance, GAN attachments, and Uniform Guidance. NC DVRS fiscal staff acknowledged that Period of Performance requirements were not being followed and that assignment of expenses to the correct FFY was not in compliance with 34 C.F.R. § 76.707 and Uniform Guidance. During on-site review activities, NC DVRS restated that the period of performance requirements were not being followed and requested technical assistance to begin efforts to create new systems to be in compliance. The RSA review team provided technical assistance in this area, as described below. It should be noted that these issues are systemwide and apply to all expenses charged to the NC DVRS award. In efforts to address this finding, NC DVRS must assure that changes apply to all expenses.

Assigning expenses to the correct FFY is critical in assuring that match, MOE, and reservation of funds for the provision of pre-employment transition services are accurately determined.

As stated above, current systems cannot ensure that expenses are being assigned to the correct FFY, which in addition to being out of compliance, is likely resulting in inaccurate reporting on the SF-425. The result is that RSA and NC DVRS cannot accurately determine to what degree match, MOE, and reservation of funds for the provision of pre-employment transition services requirements have been met. New systems developed by NC DVRS will need to be retroactively applied to FFY 2017, 2018, and 2019, after which NC DVRS will need to submit new SF-425s based on this new and accurate assignment of expenses.

RSA will review these new SF-425s and determine whether additional steps will be needed.

Conclusion: Based upon the information above, NC DVRS and NC DSB are not in compliance with the Federal requirements (34 C.F.R. § 361.12, 34 C.F.R. § 76.702, and 2 C.F.R. § 200.302) to accurately account for and report obligations and ensure expenditures are paid from the correct Federal award. As a result, RSA cannot determine, at this time, whether the agency satisfied requirements related to match, MOE, and the reservation of funds for the provision of pre-employment transition services.

RSA is concerned regarding NC DVRS' failure to implement a financial management system that meets Federal requirements, as the agency is not able to ensure:

- Accurate data collection and financial accountability, as required by 34 C.F.R. § 361.12;
- The proper disbursement of and accounting for Federal funds, as required by 34 C.F.R. § 76.702; and
- Only allowable costs resulting from obligations of the funding period are charged to the award, as required by 2 C.F.R. §§ 200.403, 200.404, and 200.405.

As a recipient of Federal VR funds, NC DVRS and NC DSB must have procedures in place that ensure proper and efficient administration of the VR program, and that enable NC DVRS to carry out all required functions. The methods of administration must ensure accurate data collection and financial accountability (34 C.F.R. § 361.12 and 2 C.F.R. § 200.302).

Corrective Actions: RSA requires that NC DVRS:

- 5.2.1 Within 3 months of the date of the final monitoring report, submit draft internal controls for ensuring compliance with obligation requirements in 2 C.F.R. § 200.303, including a monitoring component, that ensures sustained compliance with and correction of the specific areas identified. Specifically, NC DVRS must revise its financial data collection and analysis process so that it ensures all Federal and non-Federal obligations are properly accounted for and obligated to the correct FFY award in the agency's financial management system.
- 5.2.2 Within 3 months after concurrence by RSA, implement the new processes, policies, procedures, and internal controls, as necessary, to accurately account for and report Federal and non-Federal obligations and expenditures to the correct period of performance.
- 5.2.3 Within 8 months after the final monitoring report, submit revised draft SF-425s to RSA for FFY 2017, 2018 and 2019 that reflect the correct assignment of obligations.

Agency Response: The agency acknowledges the findings and agrees with the recommended corrective action steps. NC DVRS significantly increased compliance with the requirement in October 2018, with the development of new internal procedures allowing the agency to comply through accounting and reporting obligations and expenditures to the correct Federal grant award. NC DVRS will submit the proposed written internal procedures to RSA for review during the corrective action plan process.

Request for Technical Assistance: While RSA was on site, technical assistance was received; however, the agency will not hesitate to request further assistance should its new methodology require adjustment during the corrective action plan process.

5.3 Prior Approval Requirements Not Met

Issue: Did NC DVRS obtain prior written approval from RSA before purchasing items requiring prior approval.

Requirements: The Uniform Guidance at 2 C.F.R. § 200.407, includes a list of specific circumstances for which prior approval from the Federal awarding agency in advance of the occurrence is either required for allowability or recommended in order to avoid subsequent disallowance or dispute based on the unreasonableness or non-allocability. For example, 2 C.F.R. § 200.439(b)(1) states that capital expenditures for general purpose equipment, buildings, and land are unallowable as direct charges, except with the prior written approval of the Federal awarding or pass through entity. The Uniform Guidance at 2 C.F.R. § 200.62(a)(3) also requires the agency have internal control over compliance requirements for Federal awards to demonstrate compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

On November 2, 2015, the Department of Education adopted the final regulations found in 2 C.F.R. part 200 (Federal Register notice 80 FR 67261). The Department issued notifications to grantees regarding the new requirements and made training and technical assistance documents available to grantees to assist in implementation of the new requirements. To ensure that RSA grantees were aware of the applicability of the prior approval requirements, RSA included a special clause on the FFY 2016 Grant Award Notifications that stated, in pertinent part: “the prior approval requirements listed in the Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards (Uniform Guidance) (2 C.F.R. part 200) are applicable to this award... Grantees are responsible for ensuring that prior approval, when required, is obtained prior to incurring the expenditure. Grantees should pay particular attention to the prior approval requirements listed in the Cost Principles (2 C.F.R. part 200 subpart E).”

In addition, information regarding the requirements in 2 C.F.R. part 200 was communicated to grantees via RSA’s listserv on September 23, 2015.

Analysis: Prior to on-site activities, RSA observed that NC DVRS was not submitting requests for prior approval. As part of monitoring, RSA learned that NC DVRS had no policies or procedures for submitting prior approvals and was in need of technical assistance. RSA addressed this through informal communication with NC DVRS, including the provision of technical assistance and resources. NC DVRS shared that it had questions and concerns related to demands on staff and its ability to meet the requirements. While committing to meeting the requirements, NC DVRS requested further on-site assistance to help develop necessary policies and processes.

Conclusion: Based on the above analysis, NC DVRS was not in compliance with the prior approval requirements pursuant to the Uniform Guidance (2 C.F.R. § 200.407).

Corrective Actions: RSA requires that NC DVRS:

5.3.1 Within 3 months after the issuance of the monitoring report, develop and implement policies and procedures, as well as a written internal control process, including a monitoring component, to ensure ongoing compliance with the prior approval requirements.

Agency Response: The agency acknowledges the findings and agrees with the recommended corrective action steps. NC DVRS significantly increased compliance with the requirement in October 2018, with the development of internal procedures including a monitoring component to ensure it is complying with the prior approval requirements pursuant to the Uniform Guidance (2C.F.R. § 200.407). NC DVRS will submit the proposed written internal control process to RSA for review during the corrective action plan process.

Request for Technical Assistance: While RSA was on site, technical assistance was received; however, the agency will not hesitate to request further assistance should its proposed internal control process require adjustment during the corrective action plan process.

5.4 Personnel Cost Allocation and Reconciliation

Issue: Does NC DVRS meet personnel cost allocation requirements in accordance with 2 C.F.R. § 200.430(i)(1)(vii).

Requirement: In accordance with Uniform Guidance in 2 C.F.R. § 200.430(i)(1)(vii), charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed and must support the distribution of the employee's salaries or wages among specific activities or cost objectives if the employee works on more than one Federal award.

Analysis: NC DVRS funds a unit referred to as "Program Policy Planning and Evaluation". These staff provide policy development and implementation of VR services to NC DVRS as well as NC DSB. Discussions with NC DVRS staff and review of documentation confirmed that the Program Policy Planning and Evaluation unit serves both NC DVRS and NC DSB. This was further confirmed by RSA interactions before and during the on-site visit as Program Policy Planning and Evaluation staff participated in numerous meetings that were entirely related to NC DSB and/or NC DVRS.

As noted earlier in this focus area, NC DVRS utilizes an approved cost allocation plan whereby staff work 100 percent on a given program and are charged to that award or have their costs assigned to a program based upon actual time worked. Supervisory costs are allocated based on the percentage of time the supervisor's assigned staff spend working on a program.

Review of allocation spreadsheets and discussions with NC DVRS indicated that costs associated with the Program Policy Planning and Evaluation unit are charged to NC DVRS, and not to NC DSB. Although some issues may apply to both State VR agencies, the work conducted by this unit must on occasion be specific to one VR agency or the other and should be charged as such. Some personnel costs allocated to NC DVRS should have been allocated to NC DSB, and therefore are not in compliance with the requirements found at 2 C.F.R. § 200.430(i)(1)(vii). As such, costs charged to the NC DVRS program that were related to NC DSB activities represent questioned costs.

Corrective Action Steps: RSA requires that NC DVRS and NC DSB:

5.4.1 Within 3 months after the issuance of the monitoring report, implement an appropriate personnel cost allocation methodology to assure costs related to the Program Policy Planning and Evaluation unit are charged to the correct award and in accordance with 34 C.F.R. § 200.430(i)(1)(vii).

Agency Response: The agency acknowledges the findings and agrees with the recommended corrective actions steps. NC DVRS will submit to RSA for review the proposed personnel cost allocation methodology during the corrective action plan process.

Request for Technical Assistance: While RSA was on site, technical assistance was received; however, the agency will not hesitate to request further assistance should its proposed internal control process require adjustment during the corrective action plan process.

E. Technical Assistance

During monitoring activities, RSA provided technical assistance to NC DVRS as described below.

- IFA's, cost allocation and methods to assure that costs to the VR award reflect actual work performed and are proportional to benefit received. This was discussed in relation to one-stop costs and overall agency interactions with partners and other agencies.
- Requirements for attributing obligations to the correct FFY and their effects on match, MOE, pre-employment transition services, and requirements for timely and accurate submission of Federal reports.
- Requirements for seeking prior approval on certain types of expenses, methods for internal planning and processing of requests, and the aggregate method for seeking approvals.

SECTION 6: FOCUS AREA – JOINT WORKFORCE INNOVATION AND OPPORTUNITY ACT FINAL RULE IMPLEMENTATION

A. Purpose

The Departments of Education and Labor issued the Workforce Innovation and Opportunity Act (WIOA) Joint Rule for Unified and Combined State Plans, Performance Accountability, and the One-Stop System Joint Provisions; Final Rule (Joint WIOA Final Rule) to implement title I of WIOA. These joint regulations apply to all core programs of the workforce development system established by title I of WIOA and the joint regulations are incorporated into the VR program regulations through subparts D, E, and F of 34 C.F.R. part 361.

WIOA strengthens the alignment of the public workforce development system's six core programs through unified strategic planning requirements, common performance accountability measures, and requirements governing the one-stop delivery system. WIOA places heightened emphasis on coordination and collaboration at the Federal, State, local, and tribal levels to ensure a streamlined and coordinated service delivery system for job seekers, including those with disabilities, and employers.

In FFY 2018, the Employment and Training Administration in the U.S. Department of Labor, the Office of Career, Technical, and Adult Education, and RSA developed the "WIOA Shared Monitoring Guide." RSA incorporated its content into the FFY 2018 monitoring of the VR program in this focus area. RSA assessed the VR agency's progress and compliance in the implementation of the Joint WIOA Final Rule through this focus area.

B. Implementation of WIOA Joint Final Rule

This focus area consists of the following topical areas: WIOA Partnership; Governance; One-Stop Operations; and Performance Accountability. To gather information pertinent to these topics, RSA staff reviewed a variety of documents including the Program Year (PY) 2016 §Unified or Combined State Plan; Memoranda of Understanding (MOUs) including the One-Stop Center Operating Budget and Infrastructure Funding Agreement (IFA) related to the one-stop service delivery system; and other supporting documentation related to the four topical areas.

WIOA Partnership

WIOA requires States and local areas to enhance coordination and partnerships with local entities and supportive service agencies for strengthened service delivery, including through Unified/Combined State Plans. Beyond the partnerships reflected in the Governance and One-Stop Operations sections of this focus area, Federal partners thought it was important for Federal agencies to inquire about the broader partnership activities occurring to implement many of the approaches called for within WIOA, such as career pathways and sector strategies. These require robust relationships across programs and with businesses, economic development, education, and training institutions, including community colleges and career and technical education local

entities and supportive service agencies. Exploring how these activities are led and sustained may be useful in assessing how these initiatives are progressing within a State.

NC DVRS stated that the agency has a great working relationship with WIOA core partners. Agency staff stated that the collaboration process has given all partners more insight on programs and planning opportunities of other workforce partners, thereby increasing overall referrals for services.

Memoranda of Understanding (MOUs) have been developed and fully implemented for each local area outlining the roles and responsibilities for each partner involved. The State workforce development board (SWDB) engages with local workforce development boards (LWDBs) and community partners to develop strategies and career pathways.

Governance

SWDBs and LWDBs, which should include representation from all six core programs, including the VR program, set strategy and policies for an aligned workforce development system that partners with the education continuum, economic development, human services, and businesses. The VR representative on the SWDB must be an individual who has optimum policy making authority for the VR program, and each LWDB is required to have at least one representative from programs carried out under Title I of the Rehabilitation Act (other than Section 112 or Part C of that Title).

The SWDB in North Carolina consists of at least 15 members appointed by the Governor. NC DVRS reported working well with its partners within the workforce boards on the State and local level. To ensure effective implementation of the State plan, workgroups were developed across the State on the local level with various stakeholders. Input from all core partners was sought. They were responsible for reviewing the local plans, policies, and State plan. Follow-up meetings were held when necessary. The Secretary of the North Carolina Department of Health and Human Services (DHHS) or his designee represents the VR program on the SWDB.

Within the NCWorks Workforce Development System, there are 23 local workforce areas. Unit managers and supervisors are present and active on each local board. The goal of the NCWorks career centers is to effectively provide training to its workforce and connect employers and job seekers across the State.

NC DVRS has been actively engaged in the one-stop certification process. The agency is continually working with partners to make sure they are educated about the certification process. At the time of the review, the agency was working on creating a standardized assessment of accessibility within the certification process. The certification process focuses on three main areas including program, physical, and digital access.

One-Stop Operations

The one-stop delivery system brings together workforce development, educational, and other human resource services in a seamless customer-focused service delivery network that enhances access to services and improves long-term employment outcomes for individuals receiving

assistance. One-stop partners administer separately funded programs as a set of integrated streamlined services to customers.

VR services are delivered throughout the State through its district offices and through the one-stop centers. North Carolina is made up of 23 local workforce development areas, which include 81 one stop centers across the State. They also provide business services within their comprehensive centers. NC DVRS counselors are co-located in comprehensive one-stop centers across the State. For the satellite offices across the State, there is a referral process in place for individuals desiring VR services.

Each local workforce area has a fully implemented MOU. At the time of this review, working in conjunction with local workforce partners, NC DVRS was working to revise its local funding agreement around the State by usage data by center and program.

NC DSB and NC DVRS developed the Infrastructure Funding Agreement together using the GAO report on VR funding formula in 2009 to develop their approach. The two State VR agencies broke data down by county, disability type, and age groups using American survey data. A calculation of disability density in an area was completed using fair market rate from HUD. Each local area determined their contribution based on these figures. Please see more on NC DVRS' cost allocation methodology in the fiscal focus area, Finding 5.1.

The agency has 36 certified career pathway programs in place, including culinary, furniture, and boat making. Additionally, the agency is working with community colleges to develop apprenticeship programs across the State.

Performance Accountability

Section 116 of WIOA establishes performance accountability indicators and performance reporting requirements to assess the effectiveness of States and local areas in achieving positive outcomes for individuals served in the workforce development system. WIOA requires that these requirements apply across all six core programs, with a few exceptions. RSA reviewed the VR agency's progress and implementation of performance accountability measures and data sharing and matching requirements.

The Division of Workforce Solutions is responsible for the coordination and submission of the WIOA Statewide Annual Performance Report Template in accordance with 34 C.F.R. § 361.160. The VR agency's case management system has a unique identifier mechanism in place that is specific to VR. NC DVRS is able to use the unique identifier to determine if an individual is co-enrolled in programs. As of the time of this review, the agency had work opportunity tax credit and wage data sharing agreements with core partners.

An evaluation is conducted by the Labor and Economic Analysis Division under the Department of Commerce where cross program participation, services provided, and service sequence are reviewed to determine if there is a duplication of services. The agency is using employer penetration and repeat employers as the two measures for effectively serving employers.

C. Observations and Recommendations

RSA's review of NC DVRS' performance in this focus area did not result in the identification of observations and recommendations to improve performance.

D. Findings and Corrective Actions

RSA's review of NC DVRS' performance in this focus area resulted in Finding 5.1 and corresponding corrective actions in Section 5 of this report.

E. Technical Assistance

During the course of monitoring activities, RSA provided technical assistance to NC DVRS as described below.

State Workforce Development Board Representation:

NC DVRS and NC DSB, which administer the VR program – one of the core partner workforce development programs – that is authorized under the Rehabilitation Act of 1973, as amended by Title IV of WIOA, are both housed in DHHS. DHHS is overseen by a Secretary and programs housed within DHHS are administered by directors. During RSA's on-site monitoring of the VR program, RSA learned that NC DVRS and NC DSB are both represented on the SWDB, which is referred to as the NCWorks Commission, by the DHHS Secretary. NC DVRS and NC DSB indicated that one of the DHHS Deputy Secretaries, who oversees both VR agencies, represents the DHHS Secretary at SWDB meetings.

Section 101(b)(1)(C)(iii)(I)(aa) of WIOA requires that the State Board be comprised of, among others, representatives from "the lead State officials with primary responsibility for the core programs" (see also 20 C.F.R. § 679.110(b)(3)(iii)(A)(1)). The preamble to the final regulations explains further that 20 C.F.R. § 679.110(b)(3)(iii)(A)(1)(i) through (iii) were modified for purposes of the final regulations to make clear that the Title IV VR program must be represented by a single, unique representative (see 81 FR 56072, 56074 (Aug. 19, 2016)).

This policy position by the DOL, as expressed in the preamble to the final regulations, is consistent with 20 C.F.R. § 679.110(e), which requires that State Board members representing core programs, such as the VR program, be individuals who have optimum policy-making authority for the core program that they represent. Pursuant to 20 C.F.R. § 679.120(a):

- (a) A representative with "optimum policy-making authority" is an individual who can reasonably be expected to speak affirmatively on behalf of the entity he or she represents and to commit that entity to a chosen course of action.

The NC DVRS and NC DSB directors are the only individuals who have optimum policy-making authority for the VR program, as described in 20 C.F.R. § 679.120(a). This position is consistent with 34 C.F.R. § 361.13(c)(1), which specify certain functions that are the sole responsibility of the VR agency, including development and implementation of policies, allocation and expenditure of VR funds, and participation as a partner in the workforce

development system. This would include the VR program's participation on the SWDB pursuant to 20 C.F.R. § 679.110(b)(3)(iii)(A)(1)(iii) and 20 C.F.R. § 679.120(a). The VR program directors do not have the authority to delegate this authority to another entity or individual (34 C.F.R. § 361.13(c)(2)). In other words, neither the NC DVRS nor the NC DSB director has the authority to delegate to the DHHS Secretary or Deputy Secretary the authority to represent the VR program on the NCWorks Commission. To do so would also be delegating the authority to commit the VR program to particular courses of action with respect to the development and implementation of policies and the allocation and expenditure of VR funds on behalf of the VR program. None of these authorities can be delegated to another individual, including the head of the designated State agency (DSA) overseeing NC DVRS and NC DSB.

Therefore, the NCWorks Commission has failed to comply with section 101(b) of WIOA and 20 C.F.R. § 679.110(b)(3)(iii)(A)(1)(iii) of its implementing regulations by having the DHHS Secretary and Deputy Secretary represent the VR program on the SWDB. After consultation with DOL on this matter, RSA recommends that North Carolina revise its State Board composition by appointing either the NC DVRS or NC DSB director to represent the VR program. Enforcement of this matter falls under the jurisdiction of DOL.

NC DVRS has not requested additional technical assistance in this focus area.

APPENDIX A: PROGRAM AND FISCAL PERFORMANCE DATA TABLES

This appendix contains the program and fiscal performance data tables used throughout the review. Data were drawn from the RSA-113 (Quarterly Cumulative Caseload Report), the RSA-911 (Case Service Report), and SF-425 (Federal Financial Report). The RSA-113 report is a quarterly submission that provides cumulative information at the end of the Federal fiscal year. The data from the RSA-113 cover both open and closed cases as reported to RSA at the end of the Federal fiscal year. The RSA-911 contains information on cases closed during the Federal fiscal year covered by the report and does not include information related to those cases remaining open in the next Federal fiscal year.

Table 1. North Carolina General Agency Summary Statistics from RSA 113: FFYs 2015-2017

Row	Performance category	2015	2016	2017
1	Number of total applicants	22,600	22,250	21,901
2	Number of total eligible individuals	22,075	21,288	19,793
3	Agency implementing order of selection (Y/N)	No	No	No
4	Number of individuals on order of selection waiting list at year-end	NA	NA	NA
5	Percent eligible of individuals had IPE who received no services	39.3%	38.1%	36.5%
6	Number of individuals in plan receiving services	32,965	32,205	31,399

Data source: RSA-113

Table 2a. North Carolina General Agency Case Status Information, Exit Status, and Employment Outcomes for All Individuals at Closure-FFYs 2015-2017

Row	Performance category	2015 Number	2015 Percent	2016 Number	2016 Percent	2017 Number	2017 Percent
1	Exited as applicants	3,476	14.7	3,289	14.5	2,179	11.8
2	Exited from trial work experience	44	0.2	22	0.1	6	0.0
3	Exited with employment	6,317	26.7	6,127	26.9	3,938	21.3
4	Exited without employment	5,153	21.8	5,221	22.9	6,725	36.4
5	Exited from OOS waiting list	NA	NA	NA	NA	NA	NA

Row	Performance category	2015 Number	2015 Percent	2016 Number	2016 Percent	2017 Number	2017 Percent
6	Exited without employment outcomes, after eligibility, before an IPE was signed or before receiving services	8,683	36.7	8,102	35.6	5,632	30.5
7	Employment rate*		55.1		54.0		36.9
8	Competitive employment outcomes	6,122	96.9	6,127	100.0	3,935	99.9
9	Average hourly earnings for competitive employment outcomes**	\$9.44		\$9.55		\$9.70	
10	Average hours worked for competitive employment outcomes	28.7		28.0		28.0	
11	Median hourly earnings for competitive employment outcomes	\$8.25		\$8.50		\$8.75	
12	Median hours worked for competitive employment outcomes	30.0		28.0		28.0	
13	Quarterly median earnings for competitive employment outcomes***	\$3,224.00		\$3,120.00		\$3,159.00	
14	Competitive employment outcomes meeting SGA	3,004	49.1	2,763	45.1	1,701	43.2
15	Competitive employment outcomes with employer-provided medical insurance	707	11.5	754	12.3	517	13.1

Data source: RSA-911

Note: FFY 2017 data is not comparable with other FFY data. FFY 2017 shows Oct. – June data. FFY 15-16 show Oct. – Sept. data.

*Using RSA-911: Total number of individuals who exited with employment divided by total number of individuals who received services multiplied by 100.

**Using RSA-911: Sum of the Weekly Wage at Closure / sum of the Hours Worked in a Week at Closure for individuals achieving a competitive employment outcome.

***Using RSA-911: Weekly earnings at closure (Data Element 197) multiplied by hours worked in a week at closure (Data Element 198) for individuals who achieved a competitive employment outcome multiplied by 13. Then the values are listed in order, from the lowest to the highest value. The value in the middle of this list is the median quarterly earnings, so there is the same quantity of numbers above the median number as there is below the median number.

Table 2b. North Carolina General Agency Case Status Information, Exit Status, and Employment Outcomes for Individuals below Age 25 at Closure -FFYs 2015-2017

Row	Performance category	2015 Number	2015 Percent	2016 Number	2016 Percent	2017 Number	2017 Percent
1	Exited as applicants	926	13.8	900	13.3	593	11.1
2	Exited from trial work experience	11	0.2	5	0.1	1	0.0
3	Exited with employment	2,000	29.8	2,003	29.7	1,309	24.4
4	Exited without employment	1,395	20.8	1,512	22.4	1,858	34.6
5	Exited from OOS waiting list	NA	NA	NA	NA	NA	NA
6	Exited without employment outcomes, after eligibility, before an IPE was signed or before receiving services	2,383	35.5	2,335	34.5	1,604	29.9
7	Employment rate*		58.9		57.0		41.3
8	Competitive employment outcomes	1,902	95.1	2,003	100.0	1,309	100.0
9	Average hourly earnings for competitive employment outcomes**	\$8.48		\$8.69		\$8.84	
10	Average hours worked for competitive employment outcomes	26.4		26.7		26.0	
11	Median hourly earnings for competitive employment outcomes	\$7.75		\$8.00		\$8.00	
12	Median hours worked for competitive employment outcomes	25.0		25.0		25.0	
13	Quarterly median earnings for competitive employment outcomes***	\$2,678.00		\$2,834.00		\$2,769.00	
14	Competitive employment outcomes meeting SGA	690	36.3	758	37.8	449	34.3

Row	Performance category	2015 Number	2015 Percent	2016 Number	2016 Percent	2017 Number	2017 Percent
15	Competitive employment outcomes with employer-provided medical insurance	173	9.1	195	9.7	162	12.4

Data source: RSA-911

Note: FFY 2017 data is not comparable with other FFY data. FFY 2017 shows Oct. – June data. FFY 15-16 show Oct. – Sept. data.

**Using RSA-911: Total number of individuals who exited with employment divided by total number of individuals who received services multiplied by 100.*

***Using RSA-911: Sum of the Weekly Wage at Closure / sum of the Hours Worked in a Week at Closure for individuals achieving a competitive employment outcome.*

****Using RSA-911: Weekly earnings at closure (Data Element 197) multiplied by hours worked in a week at closure (Data Element 198) for individuals who achieved a competitive employment outcome multiplied by 13. Then the values are listed in order, from the lowest to the highest value. The value in the middle of this list is the median quarterly earnings, so there is the same quantity of numbers above the median number as there is below the median number.*

Table 2c. North Carolina General Agency Case Status Information, Exit Status, and Employment Outcomes for Individuals Age 25 and Older at Closure -FFYs 2015-2017

Row	Performance category	2015 Number	2015 Percent	2016 Number	2016 Percent	2017 Number	2017 Percent
1	Exited as applicants	2,550	15.0	2,389	14.9	1,586	12.1
2	Exited from trial work experience	33	0.2	17	0.1	5	0.0
3	Exited with employment	4,317	25.5	4,124	25.8	2,629	20.0
4	Exited without employment	3,758	22.2	3,709	23.2	4,867	37.1
5	Exited from OOS waiting list	NA	NA	NA	NA	NA	NA
6	Exited without employment outcomes, after eligibility, before an IPE was signed or before receiving services	6,300	37.1	5,767	36.0	4,028	30.7
7	Employment rate*		53.5		52.6		35.1
8	Competitive employment outcomes	4,220	97.8	4,124	100.0	2,626	99.9
9	Average hourly earnings for competitive employment outcomes**	\$9.87		\$9.97		\$10.12	
10	Average hours worked for competitive employment outcomes	29.8		28.7		29.0	
11	Median hourly earnings for competitive employment outcomes	\$8.65		\$9.00		\$9.00	
12	Median hours worked for competitive employment outcomes	30.0		30.0		30.0	
13	Quarterly median earnings for competitive employment outcomes***	\$3,588.00		\$3,302.00		\$3,438.50	
14	Competitive employment outcomes meeting SGA	2,314	54.8	2,005	48.6	1,252	47.7

Row	Performance category	2015 Number	2015 Percent	2016 Number	2016 Percent	2017 Number	2017 Percent
15	Competitive employment outcomes with employer-provided medical insurance	534	12.7	559	13.6	355	13.5

Data source: RSA-911

Note: FFY 2017 data is not comparable with other FFY data. FFY 2017 shows Oct. – June data. FFY 15-16 show Oct. – Sept. data.

**Using RSA-911: Total number of individuals who exited with employment divided by total number of individuals who received services multiplied by 100.*

***Using RSA-911: Sum of the Weekly Wage at Closure / sum of the Hours Worked in a Week at Closure for individuals achieving a competitive employment outcome.*

****Using RSA-911: Weekly earnings at closure (Data Element 197) multiplied by hours worked in a week at closure (Data Element 198) for individuals who achieved a competitive employment outcome multiplied by 13. Then the values are listed in order, from the lowest to the highest value. The value in the middle of this list is the median quarterly earnings, so there is the same quantity of numbers above the median number as there is below the median number.*

Table 3a. North Carolina General Agency Source of Referral for All Individuals at Closure-FFYs 2015-2017

Row	Source of Referral	2015 Percent	2016 Percent	2017* Percent
1	Educational Institutions (elementary/secondary)	16.1	16.2	17.1
2	Educational Institutions (post-secondary)	0.8	0.7	0.9
3	Medical Health Provider (Public or Private)	7.4	5.4	5.1
4	Welfare Agency (State or local government)	0.7	0.7	0.7
5	Community Rehabilitation Programs	1.3	1.1	1.4
6	Social Security Administration (Disability Determination Service or District office)	1.0	0.6	0.9
7	One-stop Employment/Training Centers	0.9	0.6	0.6
8	Self-referral	52.9	56.9	55.5
9	Other Sources	9.4	6.7	6.2
10	American Indian VR Services Program	0.0	0.0	0.0
11	Centers for Independent Living	0.0	0.0	0.0
12	Child Protective Services	0.0	0.0	0.0
13	Consumer Organizations or Advocacy Groups	0.1	0.2	0.2
14	Employers	0.1	0.0	0.0
15	Faith Based Organizations	0.1	0.1	0.2
16	Family/Friends	3.0	3.3	3.1
17	Intellectual and Developmental Disabilities Providers	0.0	0.1	0.2
18	Mental Health Provider (Public or Private)	3.4	4.3	5.1
19	Public Housing Authority	0.0	0.0	0.0
20	State Department of Correction/Juvenile Justice	1.1	1.0	1.0
21	State Employment Service Agency	0.3	0.4	0.3
22	Veteran's Administration	0.1	0.1	0.2
23	Worker's Compensation	0.0	0.0	0.0

Row	Source of Referral	2015 Percent	2016 Percent	2017* Percent
24	Other State Agencies	1.1	1.0	0.8
25	Other VR State Agencies	0.1	0.2	0.2
26	Total Identified Referral Sources	99.9	99.8	99.8
27	Other Referral Sources (unknown)	0.1	0.2	0.2

Data source: RSA-911

Note: FFY 2017 data is not comparable with other FFY data. FFY 2017 shows Oct. – June data. FFY 15-16 show Oct. – Sept. data.

Table 3b. North Carolina General Agency Source of Referral for Individuals below Age 25 at Closure -FFYs 2015-2017

Row	Source of Referral	2015 Percent	2016 Percent	2017 Percent
1	Educational Institutions (elementary/secondary)	52.2	50.8	52.7
2	Educational Institutions (post-secondary)	1.2	1.2	1.6
3	Medical Health Provider (Public or Private)	2.0	1.4	0.8
4	Welfare Agency (State or local government)	0.3	0.3	0.3
5	Community Rehabilitation Programs	0.4	0.4	0.6
6	Social Security Administration (Disability Determination Service or District office)	0.3	0.2	0.2
7	One-stop Employment/Training Centers	0.1	0.2	0.2
8	Self-referral	32.9	33.9	32.4
9	Other Sources	4.5	3.6	2.5
10	American Indian VR Services Program	0.0	0.1	0.0
11	Centers for Independent Living	0.0	0.0	0.0
12	Child Protective Services	0.0	0.0	0.1
13	Consumer Organizations or Advocacy Groups	0.1	0.1	0.1
14	Employers	0.0	0.0	0.0
15	Faith Based Organizations	0	0.0	0.1
16	Family/Friends	3.0	4.2	4.4
17	Intellectual and Developmental Disabilities Providers	0.1	0.1	0.2
18	Mental Health Provider (Public or Private)	1.5	1.9	2.3
19	Public Housing Authority	0.0	0.0	0.0
20	State Department of Correction/Juvenile Justice	0.8	0.6	0.9
21	State Employment Service Agency	0.1	0.1	0.1
22	Veteran's Administration	0.0	0.0	0.0

Row	Source of Referral	2015 Percent	2016 Percent	2017 Percent
23	Worker's Compensation	0.0	0.0	0.0
24	Other State Agencies	0.4	0.4	0.3
25	Other VR State Agencies	0.1	0.1	0.0
26	Total Identified Referral Sources	99.9	99.8	99.8
27	Other Referral Sources	0.1	0.2	0.2

Data source: RSA-911

Note: FFY 2017 data is not comparable with other FFY data. FFY 2017 shows Oct. – June data.

FFY 15-16 show Oct. – Sept. data.

Table 3c. North Carolina General Agency Source of Referral for Individuals Age 25 and Older at Closure -FFYs 2015-2017

Row	Source of Referral	2015 Percent	2016 Percent	2017 Percent
1	Educational Institutions (elementary/secondary)	1.8	1.6	2.6
2	Educational Institutions (post-secondary)	0.6	0.4	0.6
3	Medical Health Provider (Public or Private)	9.5	7.1	6.8
4	Welfare Agency (State or local government)	0.8	0.8	0.8
5	Community Rehabilitation Programs	1.6	1.5	1.8
6	Social Security Administration (Disability Determination Service or District office)	1.2	0.8	1.2
7	One-stop Employment/Training Centers	1.2	0.8	0.7
8	Self-referral	60.8	66.5	65.0
9	Other Sources	11.3	8.0	7.8
10	American Indian VR Services Program	0.0	0.0	0.0
11	Centers for Independent Living	0.0	0.0	0.0
12	Child Protective Services	0.0	0.0	0.0
13	Consumer Organizations or Advocacy Groups	0.1	0.2	0.2
14	Employers	0.1	0.1	0.1
15	Faith Based Organizations	0.1	0.2	0.3
16	Family/Friends	3.0	2.9	2.6
17	Intellectual and Developmental Disabilities Providers	0.0	0.1	0.2
18	Mental Health Provider (Public or Private)	4.2	5.3	6.2
19	Public Housing Authority	0.0	0.0	0.0
20	State Department of Correction/Juvenile Justice	1.3	1.1	1.0
21	State Employment Service Agency	0.4	0.5	0.4
22	Veteran's Administration	0.1	0.2	0.3

Row	Source of Referral	2015 Percent	2016 Percent	2017 Percent
23	Worker's Compensation	0.0	0.0	0.0
24	Other State Agencies	1.4	1.2	1.0
25	Other VR State Agencies	0.2	0.2	0.2
26	Total Identified Referral Sources	99.9	99.8	99.8
27	Other Referral Sources	0.1	0.2	0.2

Data source: RSA-911

Note: FFY 2017 data is not comparable with other FFY data. FFY 2017 shows Oct. – June data.

FFY 15-16 show Oct. – Sept. data.

Table 4a. North Carolina General Agency Outcomes by Disability Type for All Individuals at Closure - FFYs 2015-2017

Row	Disability Type	2015 Number	2015 Percent	2016 Number	2016 Percent	2017 Number	2017 Percent
1	Visual - Individuals served	30	0.3	45	0.4	37	0.3
2	Visual - Employment rate		56.7		46.7		29.7
3	Auditory and Communicative - Individuals served	642	5.6	543	4.8	419	3.9
4	Auditory and Communicative - Employment rate		60.6		64.6		51.8
5	Physical - Individuals served	2,661	23.2	2,581	22.7	2,458	23.1
6	Physical - Employment rate		51.3		48.0		34.4
7	Intellectual and Learning disability - Individuals served	3,661	31.9	3,861	34.0	3,479	32.6
8	Intellectual and Learning disability - Employment rate		58.6		57.0		40.3
9	Psychosocial and psychological- Individuals served	4,476	39.0	4,318	38.1	4,270	40.0
10	Psychosocial and psychological- Employment rate		53.6		53.6		34.3

Data source: RSA-911

Note: FFY 2017 data is not comparable with other FFY data. FFY 2017 shows Oct. – June data. FFY 15-16 show Oct. – Sept. data.

Table 4b. North Carolina General Agency Outcomes by Disability Type for Individuals below Age 25 at Closure - FFYs 2015-2017

Row	Disability Type	2015 Number	2015 Percent	2016 Number	2016 Percent	2017 Number	2017 Percent
1	Visual - Individuals served	7	0.2	4	0.1	6	0.2
2	Visual - Employment rate		42.9		75.0		16.7
3	Auditory and Communicative - Individuals served	78	2.3	61	1.7	64	2.0
4	Auditory and Communicative - Employment rate		51.3		54.1		42.2
5	Physical - Individuals served	198	5.8	181	5.1	161	5.1
6	Physical - Employment rate		57.1		58.0		45.3
7	Intellectual and Learning disability - Individuals served	2,219	65.4	2,342	66.6	2,110	66.6
8	Intellectual and Learning disability - Employment rate		58.9		56.7		40.8
9	Psychosocial and psychological- Individuals served	893	26.3	927	26.4	826	26.1
10	Psychosocial and psychological- Employment rate		60.2		57.7		42.1

Data source: RSA-911

Note: FFY 2017 data is not comparable with other FFY data. FFY 2017 shows Oct. – June data. FFY 15-16 show Oct. – Sept. data.

Table 4c. North Carolina General Agency Outcomes by Disability Type for Individuals Age 25 and Older at Closure - FFYs 2015-2017

Row	Disability Type	2015 Number	2015 Percent	2016 Number	2016 Percent	2017 Number	2017 Percent
1	Visual - Individuals served	23	0.3	41	0.5	31	0.4
2	Visual - Employment rate		60.9		43.9		32.3
3	Auditory and Communicative - Individuals served	564	7.0	482	6.2	355	4.7
4	Auditory and Communicative - Employment rate		61.9		66.0		53.5
5	Physical - Individuals served	2,463	30.5	2,400	30.6	2,297	30.6
6	Physical - Employment rate		50.9		47.3		33.7
7	Intellectual and Learning disability - Individuals served	1,442	17.9	1,519	19.4	1,369	18.3
8	Intellectual and Learning disability - Employment rate		58.1		57.6		39.5
9	Psychosocial and psychological-Individuals served	3,583	44.4	3,391	43.3	3,444	45.9
10	Psychosocial and psychological-Employment rate		52.0		52.4		32.4

Data source: RSA-911

Note: FFY 2017 data is not comparable with other FFY data. FFY 2017 shows Oct. – June data. FFY 15-16 show Oct. – Sept. data.

Table 5a. North Carolina General Agency Number of Days from Application to Eligibility Determination for All Individuals at Closure FFYs 2015-2017

Number of Days	2015 Number	2015 Percent	2016 Number	2016 Percent	2017* Number	2017* Percent
0 – 60 days	16,905	83.9	16,726	86.0	14,172	87.0
More than 60 days	3,248	16.1	2,724	14.0	2,123	13.0
Total eligible	20,153	100.0	19,450	100.0	16,295	100.0

Data source: RSA-911

Note: FFY 2017 data is not comparable with other FFY data. FFY 2017 shows Oct. – June data. FFY 15-16 show Oct. – Sept. data.

Table 5b. North Carolina General Agency Number of Days from Application to Eligibility Determination for Individuals below Age 25 at Closure - FFYs 2015-2017

Number of Days	2015 Number	2015 Percent	2016 Number	2016 Percent	2017 Number	2017 Percent
0 – 60 days	4,548	78.7	4,764	81.4	3,940	82.6
More than 60 days	1,230	21.3	1,086	18.6	831	17.4
Total eligible	5,778	100.0	5,850	100.0	4,771	100.0

Data source: RSA-911

Note: FFY 2017 data is not comparable with other FFY data. FFY 2017 shows Oct. – June data. FFY 15-16 show Oct. – Sept. data.

Table 5c. North Carolina General Agency Number of Days from Application to Eligibility Determination for Individuals Age 25 and Older at Closure - FFYs 2015-2017

Number of Days	2015 Number	2015 Percent	2016 Number	2016 Percent	2017 Number	2017 Percent
0 – 60 days	12,357	86.0	11,962	88.0	10,232	88.8
More than 60 days	2,018	14.0	1,638	12.0	1,292	11.2
Total eligible	14,375	100.0	13,600	100.0	11,524	100.0

Data source: RSA-911

Note: FFY 2017 data is not comparable with other FFY data. FFY 2017 shows Oct. – June data. FFY 15-16 show Oct. – Sept. data.

**Table 6a. North Carolina General Agency Number of Days from Eligibility*
Determination to IPE for All Individuals Served at Closure- FFYs 2015-2017**

Number of Days	2015 Number	2015 Percent	2016 Number	2016 Percent	2017 Number	2017 Percent
0 – 90 days	1,325	91.1	4,055	83.0	4,693	81.9
More than 90 days	130	8.9	833	17.0	1,039	18.1
Total served	1,455	100.0	4,888	100.0	5,732	100.0

Data source: RSA-911

Note: FFY 2017 data is not comparable with other FFY data. FFY 2017 shows Oct. – June data. FFY 15-16 show

Oct. – Sept. data.

**Eligibility occurred on or after July 22, 2014*

**Table 6b. North Carolina General Agency Number of Days from Eligibility*
Determination to IPE for Individuals Served below Age 25 at Closure- FFYs 2015-2017**

Number of Days	2015 Number	2015 Percent	2016 Number	2016 Percent	2017 Number	2017 Percent
0 – 90 days	279	89.4	1,007	82.8	1,227	79.8
More than 90 days	33	10.6	209	17.2	311	20.2
Total served	312	100.0	1,216	100.0	1,538	100.0

Data source: RSA-911

Note: FFY 2017 data is not comparable with other FFY data. FFY 2017 shows Oct. – June data. FFY 15-16 show Oct. – Sept. data.

**Eligibility occurred on or after July 22, 2014*

**Table 6c. North Carolina General Agency Number of Days from Eligibility* Determination
to IPE for Individuals Served Age 25 and Older at Closure- FFYs 2015-2017**

Number of Days	2015 Number	2015 Percent	2016 Number	2016 Percent	2017 Number	2017 Percent
0 – 90 days	1,046	91.5	3,048	83.0	3,466	82.6
More than 90 days	97	8.5	624	17.0	728	17.4
Total served	1,143	100.0	3,672	100.0	4,194	100.0

Data source: RSA-911

Note: FFY 2017 data is not comparable with other FFY data. FFY 2017 shows Oct. – June data. FFY 15-16 show Oct. – Sept. data. **Eligibility occurred on or after July 22, 2014*

Table 7a. North Carolina General Agency VR Services Provided for All Individuals Served* at Closure – FFYs 2015-2017

Row	Services Provided**	2015 Percent	2016 Percent	2017 Percent
1	Training- Graduate degree training	0.0	0.1	0.1
2	Training- Bachelor degree training	4.5	6.0	6.2
3	Training- Junior or community college training	8.7	6.9	7.7
4	Training- Occupational or vocational training	16.4	21.2	15.4
5	Training- On-the-job training	2.2	2.3	2.2
6	Training- Apprenticeship training	0.0	0.0	0.0
7	Training- Basic academic remedial or literacy training	1.0	3.9	6.1
8	Training- Job readiness training	16.8	28.2	27.0
9	Training- Disability-related skills training	4.5	3.0	2.2
10	Training- Miscellaneous training	6.3	7.2	6.1
11	Career- Assessment	100.0	100.0	99.9
12	Career- Diagnosis and treatment of impairment	76.1	78.5	80.0
13	Career- Vocational rehab counseling and guidance	8.1	24.3	25.4
14	Career- Job search assistance	9.5	42.5	49.5
15	Career- Job placement assistance	23.1	61.9	55.3
16	Career- On-the-job supports-short term	18.4	17.6	20.0
17	Career- On-the-job supports-SE	15.0	31.5	30.7
18	Career- Information and referral services	3.0	6.6	5.7
19	Career- Benefits counseling	0.0	0.3	0.4
20	Career- Customized employment services	0.4	0.5	0.5
21	Other services- Transportation	33.1	34.9	35.5
22	Other services- Maintenance	28.3	28.7	29.0
23	Other services- Rehabilitation technology	10.0	8.3	7.3

Row	Services Provided**	2015 Percent	2016 Percent	2017 Percent
24	Other services- Reader services	0.2	0.1	0.2
25	Other services- Interpreter services	2.2	2.1	1.9
26	Other services- Personal attendant services	0.2	0.1	0.2
27	Other services- Technical assistance services	0.0	0.1	0.1
28	Other services- Other services	34.0	46.8	48.9

Data source: RSA-911

Note: FFY 2017 data is not comparable with other FFY data. FFY 2017 shows Oct. – June data. FFY 15-16 show Oct. – Sept. data.

*For individuals who were determined eligible, placed on an IPE, and received a service under the IPE.

** VR Services include both those provided and purchased by the VR agency as well as those provided by comparable service providers

Table 7b. North Carolina General Agency VR Services Provided for Individuals Served* below Age 25 at Closure- FFYs 2015-2017

Row	Services Provided**	2015 Percent	2016 Percent	2017 Percent
1	Training- Graduate degree training	0.0	0.1	0.1
2	Training- Bachelor degree training	5.2	7.0	6.5
3	Training- Junior or community college training	5.0	4.7	4.9
4	Training- Occupational or vocational training	18.9	23.2	17.2
5	Training- On-the-job training	2.6	3.1	2.3
6	Training- Apprenticeship training	0.0	0.0	0.0
7	Training- Basic academic remedial or literacy training	3.2	12.3	20.1
8	Training- Job readiness training	37.2	48.7	48.5
9	Training- Disability-related skills training	4.3	2.5	1.3
10	Training- Miscellaneous training	17.8	16.4	12.6
11	Career- Assessment	100.0	100.0	99.9
12	Career- Diagnosis and treatment of impairment	59.8	61.2	61.8
13	Career- Vocational rehab counseling and guidance	5.7	23.0	21.0
14	Career- Job search assistance	7.5	37.7	45.5
15	Career- Job placement assistance	28.3	63.8	54.8
16	Career- On-the-job supports-short term	24.7	22.2	25.7
17	Career- On-the-job supports-SE	20.7	37.1	37.8
18	Career- Information and referral services	2.7	6.9	5.5
19	Career- Benefits counseling	0.0	0.1	0.2
20	Career- Customized employment services	0.6	0.7	0.9
21	Other services- Transportation	19.2	19.4	20.1
22	Other services- Maintenance	17.7	16.8	17.1
23	Other services- Rehabilitation technology	2.6	2.0	2.2

Row	Services Provided**	2015 Percent	2016 Percent	2017 Percent
24	Other services- Reader services	0.1	0.1	0.2
25	Other services- Interpreter services	0.9	1.1	1.0
26	Other services- Personal attendant services	0.1	0.1	0.1
27	Other services- Technical assistance services	0.0	0.0	0.0
28	Other services- Other services	29.4	37.8	38.5

Data source: RSA-911

Note: FFY 2017 data is not comparable with other FFY data. FFY 2017 shows Oct. – June data. FFY 15-16 show Oct. – Sept. data. **For individuals who were determined eligible, placed on an IPE, and received a service under the IPE.*

*** VR Services include those provided and purchased by the VR agency.*

Table 7c. North Carolina General Agency VR Services Provided for Individuals Served* Age 25 and Older at Closure - FFYs 2015-2017

Row	Services Provided**	2015 Percent	2016 Percent	2017 Percent
1	Training- Graduate degree training	0.0	0.1	0.2
2	Training- Bachelor degree training	4.2	5.5	6.0
3	Training- Junior or community college training	10.2	7.9	9.0
4	Training- Occupational or vocational training	15.3	20.3	14.7
5	Training- On-the-job training	2.1	2.0	2.1
6	Training- Apprenticeship training	0.0	0.0	0.0
7	Training- Basic academic remedial or literacy training	0.1	0.1	0.1
8	Training- Job readiness training	8.2	18.9	18.0
9	Training- Disability-related skills training	4.6	3.2	2.6
10	Training- Miscellaneous training	1.4	3.1	3.3
11	Career- Assessment	100.0	99.9	99.9
12	Career- Diagnosis and treatment of impairment	82.9	86.3	87.7
13	Career- Vocational rehab counseling and guidance	9.1	25.0	27.2
14	Career- Job search assistance	10.4	44.7	51.2
15	Career- Job placement assistance	20.9	61.1	55.5
16	Career- On-the-job supports-short term	15.8	15.5	17.5
17	Career- On-the-job supports-SE	12.7	29.0	27.7
18	Career- Information and referral services	3.2	6.5	5.8
19	Career- Benefits counseling	0.0	0.4	0.5
20	Career- Customized employment services	0.4	0.4	0.4
21	Other services- Transportation	39.0	41.9	41.9
22	Other services- Maintenance	32.7	34.0	34.0
23	Other services- Rehabilitation technology	13.1	11.1	9.5

Row	Services Provided**	2015 Percent	2016 Percent	2017 Percent
24	Other services- Reader services	0.2	0.2	0.1
25	Other services- Interpreter services	2.7	2.6	2.3
26	Other services- Personal attendant services	0.2	0.1	0.3
27	Other services- Technical assistance services	0.0	0.1	0.1
28	Other services- Other services	35.9	50.8	53.2

Data source: RSA-911

Note: FFY 2017 data is not comparable with other FFY data. FFY 2017 shows Oct. – June data. FFY 15-16 show Oct. – Sept. data. *For individuals who were determined eligible, placed on an IPE, and received a service under the IPE.

**VR Services include those provided and purchased by the VR agency.

Table 8a. North Carolina General Agency Standard Occupational Classification (SOC) Codes Percentages of Employment Outcomes and Median Hourly Earnings for All Individuals Who Achieved Competitive Employment Outcomes at Closure - FFYs 2015-2017

Row	SOC for Competitive Integrated Employment Outcomes	2015 Percent	2015 Median Hourly Wage	2016 Percent	2016 Median Hourly Wage	2017 Percent	2017 Median Hourly Wage
1	Architecture and Engineering Occupations	0.5	\$14.00	0.2	\$14.00	0.4	\$16.65
2	Arts, Design, Entertainment, Sports, and Media	0.7	\$10.00	0.8	\$12.00	0.4	\$12.00
3	Building and Grounds Cleaning and Maintenance	13.4	\$8.00	14.8	\$8.00	13.6	\$8.25
4	Business and Financial Operations Occupations	0.6	\$12.50	0.5	\$14.00	0.4	\$12.92
5	Community and Social Services Occupations	1.6	\$11.55	1.5	\$12.00	1.6	\$12.50
6	Computer and Mathematical Occupations	0.6	\$14.73	0.5	\$14.50	0.6	\$15.00
7	Constructive and Extraction Occupations	3.0	\$10.00	2.9	\$10.50	2.7	\$12.00
8	Education, Training, and Library Occupations	1.6	\$10.30	1.6	\$10.00	1.7	\$10.93
9	Farming, Fishing, and Forestry Occupations	0.7	\$8.00	0.6	\$8.50	0.6	\$9.50
10	Food Preparation and Serving Related Occupations	18.2	\$7.50	19.8	\$7.53	19.9	\$8.00
11	Healthcare Practitioners and Technical Occupations	1.0	\$11.82	1.1	\$14.00	1.0	\$12.25
12	Healthcare Support Occupations	3.7	\$9.00	3.2	\$9.00	3.3	\$9.62
13	Installation, Maintenance, and Repair Occupations	2.7	\$10.00	2.6	\$10.00	2.5	\$10.00
14	Legal Occupations	0.0	\$15.00	0.1	\$15.00	0.1	\$28.28
15	Life, Physical, and Social Science Occupations	0.1	\$14.00	0.3	\$18.28	0.1	\$13.45
16	Management Occupations	1.4	\$10.19	1.1	\$10.00	0.9	\$13.33
17	Military Specific Occupations	0.0	\$8.25	0.0	\$8.93	0.1	\$16.15

Row	SOC for Competitive Integrated Employment Outcomes	2015 Percent	2015 Median Hourly Wage	2016 Percent	2016 Median Hourly Wage	2017 Percent	2017 Median Hourly Wage
18	Office and Administrative Support Occupations	15.2	\$8.41	15.2	\$9.00	14.9	\$9.00
19	Personal Care and Service Occupations	5.8	\$8.00	5.6	\$8.00	6.6	\$8.34
20	Production Occupations	9.9	\$8.50	8.5	\$9.00	8.7	\$9.00
21	Protective Service Occupations	0.8	\$8.80	0.8	\$10.00	0.9	\$10.00
22	Randolph-Sheppard vending facility clerk*	0	NA	0	NA	0	NA
23	Randolph-Sheppard vending facility operator*	0	NA	0	NA	0	NA
24	Sales and Related Occupations	6.5	\$8.00	6.4	\$8.00	7.2	\$8.52
25	Transportation and Material Moving Occupations	11.8	\$8.50	12.0	\$9.00	12.1	\$9.00
26	Total competitive employment outcomes		\$8.25		\$8.50		\$8.75

Data source: RSA-911

Note: FFY 2017 data is not comparable with other FFY data. FFY 2017 shows Oct. – June data. FFY 15-16 show Oct. – Sept. data.

*RSA specific occupational classifications

Table 8b. North Carolina General Agency Standard Occupational Classification (SOC) Codes Percentages of Employment Outcomes and Median Hourly Earnings for Individuals below Age 25 Who Achieved Competitive Employment Outcomes at Closure - FFYs 2015-2017

Row	SOC for Competitive Integrated Employment Outcomes	2015 Percent	2015 Median Hourly Wage	2016 Percent	2016 Median Hourly Wage	2017 Percent	2017 Median Hourly Wage
1	Architecture and Engineering Occupations	0.1	\$10.75	0.1	\$8.90	0.5	\$16.00
2	Arts, Design, Entertainment, Sports, and Media	0.3	\$10.00	0.5	\$12.00	0.4	\$13.50
3	Building and Grounds Cleaning and Maintenance	14.0	\$8.00	13.8	\$8.00	12.0	\$8.00
4	Business and Financial Operations Occupations	0.1	\$11.00	0.2	\$14.00	0	NA
5	Community and Social Services Occupations	0.3	\$8.50	0.5	\$15.00	0.5	\$13.43
6	Computer and Mathematical Occupations	0.4	\$16.83	0.3	\$14.94	0.5	\$9.75
7	Constructive and Extraction Occupations	2.5	\$10.00	2.3	\$10.00	2.2	\$10.73
8	Education, Training, and Library Occupations	1.1	\$9.63	0.7	\$12.00	0.9	\$10.75
9	Farming, Fishing, and Forestry Occupations	0.9	\$8.00	0.8	\$9.35	0.7	\$8.57
10	Food Preparation and Serving Related Occupations	25.6	\$7.32	26.8	\$7.45	27.2	\$7.50
11	Healthcare Practitioners and Technical Occupations	0.5	\$11.50	0.3	\$8.00	0.6	\$11.13
12	Healthcare Support Occupations	1.4	\$8.00	1.2	\$9.26	1.2	\$9.43
13	Installation, Maintenance, and Repair Occupations	2.1	\$8.45	2.8	\$9.26	2.1	\$9.17
14	Legal Occupations	0	NA	0	NA	0	NA
15	Life, Physical, and Social Science Occupations	0	NA	0.0	\$12.50	0.1	\$17.00
16	Management Occupations	0.3	\$8.00	0.2	\$9.25	0.2	\$12.94
17	Military Specific Occupations	0.1	\$8.25	0.0	\$8.93	0.2	\$16.15

Row	SOC for Competitive Integrated Employment Outcomes	2015 Percent	2015 Median Hourly Wage	2016 Percent	2016 Median Hourly Wage	2017 Percent	2017 Median Hourly Wage
18	Office and Administrative Support Occupations	15.7	\$8.00	14.3	\$8.00	13.5	\$8.50
19	Personal Care and Service Occupations	7.0	\$7.52	8.3	\$8.00	8.3	\$8.00
20	Production Occupations	7.6	\$8.48	7.5	\$9.00	8.4	\$9.00
21	Protective Service Occupations	0.3	\$9.13	0.4	\$10.50	0.7	\$10.00
22	Randolph-Sheppard vending facility clerk*	0	NA	0	NA	0	NA
23	Randolph-Sheppard vending facility operator*	0	NA	0	NA	0	NA
24	Sales and Related Occupations	7.9	\$7.54	6.8	\$7.83	7.9	\$8.00
25	Transportation and Material Moving Occupations	12.0	\$8.00	11.6	\$8.50	12.0	\$8.50
26	Total competitive employment outcomes		\$7.75		\$8.00		\$8.00

Data source: RSA-911

Note: FFY 2017 data is not comparable with other FFY data. FFY 2017 shows Oct. – June data. FFY 15-16 show Oct. – Sept. data.

*RSA specific occupational classifications

**Table 8c. North Carolina General Agency Standard Occupational Classification (SOC)
Codes Percentages of Employment Outcomes and Median Hourly Earnings for Individuals
Age 25 and Older Who Achieved Competitive Employment Outcomes at Closure- FFYs
2015-2017**

Row	SOC for Competitive Integrated Employment Outcomes	2015 Percent	2015 Median Hourly Wage	2016 Percent	2016 Median Hourly Wage	2017 Percent	2017 Median Hourly Wage
1	Architecture and Engineering Occupations	0.7	\$14.50	0.3	\$14.00	0.3	\$17.30
2	Arts, Design, Entertainment, Sports, and Media	0.9	\$10.00	0.8	\$12.50	0.5	\$10.78
3	Building and Grounds Cleaning and Maintenance	13.2	\$8.00	15.3	\$8.25	14.4	\$8.36
4	Business and Financial Operations Occupations	0.8	\$12.52	0.6	\$13.88	0.6	\$12.92
5	Community and Social Services Occupations	2.1	\$12.00	1.9	\$12.00	2.1	\$12.36
6	Computer and Mathematical Occupations	0.7	\$14.45	0.5	\$14.50	0.6	\$15.00
7	Constructive and Extraction Occupations	3.2	\$10.00	3.2	\$12.00	3.0	\$12.00
8	Education, Training, and Library Occupations	1.8	\$10.73	2.0	\$10.00	2.0	\$10.93
9	Farming, Fishing, and Forestry Occupations	0.6	\$8.03	0.5	\$8.50	0.5	\$9.75
10	Food Preparation and Serving Related Occupations	14.9	\$8.00	16.4	\$8.00	16.2	\$8.00
11	Healthcare Practitioners and Technical Occupations	1.2	\$13.01	1.5	\$14.93	1.2	\$12.50
12	Healthcare Support Occupations	4.8	\$9.00	4.1	\$9.00	4.3	\$9.64
13	Installation, Maintenance, and Repair Occupations	3.0	\$10.00	2.5	\$10.50	2.7	\$10.00
14	Legal Occupations	0.1	\$15.00	0.1	\$15.00	0.2	\$28.28
15	Life, Physical, and Social Science Occupations	0.2	\$14.00	0.4	\$18.39	0.2	\$11.23
16	Management Occupations	1.8	\$10.70	1.5	\$10.06	1.3	\$13.33
17	Military Specific Occupations	0	NA	0	NA	0	NA

Row	SOC for Competitive Integrated Employment Outcomes	2015 Percent	2015 Median Hourly Wage	2016 Percent	2016 Median Hourly Wage	2017 Percent	2017 Median Hourly Wage
18	Office and Administrative Support Occupations	15.0	\$9.00	15.7	\$9.00	15.5	\$9.50
19	Personal Care and Service Occupations	5.3	\$8.40	4.3	\$8.50	5.8	\$8.50
20	Production Occupations	11.0	\$8.50	8.9	\$9.00	8.8	\$9.00
21	Protective Service Occupations	1.1	\$8.55	0.9	\$10.00	1.0	\$10.00
22	Randolph-Sheppard vending facility clerk*	0	NA	0	NA	0	NA
23	Randolph-Sheppard vending facility operator*	0	NA	0	NA	0	NA
24	Sales and Related Occupations	5.9	\$8.00	6.2	\$8.50	6.9	\$9.00
25	Transportation and Material Moving Occupations	11.6	\$9.00	12.2	\$9.00	12.1	\$9.25
26	Total competitive employment outcomes		\$8.65		\$9.00		\$9.00

Data source: RSA-911

Note: FFY 2017 data is not comparable with other FFY data. FFY 2017 shows Oct. – June data. FFY 15-16 show Oct. – Sept. data.

*RSA specific occupational classifications

Table 9a. North Carolina General Agency Reason for Exit for All Individuals Who Did Not Achieve an Employment Outcome at Closure- FFYs 2015-2017

Row	Reason for Closure	2015 number	2015 Percent	2016 number	2016 Percent	2017*number	2017* Percent
1	Unable to locate or contact	6,876	39.6	6,087	36.6	5,453	37.5
2	Disability too significant to benefit from VR services - ineligible	57	0.3	85	0.5	52	0.4
3	No longer interested in receiving services or further services	20	0.1	0	0.0	2	0.0
4	Death	131	0.8	116	0.7	128	0.9
5	Transferred to another agency	110	0.6	74	0.4	52	0.4
6	No disabling condition – ineligible	448	2.6	444	2.7	222	1.5
7	No impediment to employment – ineligible	296	1.7	243	1.5	167	1.1
8	Transportation not feasible or available	39	0.2	31	0.2	30	0.2
9	Does not require VR services – ineligible	106	0.6	64	0.4	74	0.5
10	All other reasons	9,092	52.4	9,331	56.1	8,200	56.4
11	Extended employment	0	0.0	0	0.0	0	0.0
12	Individual in institution other than a prison or jail	0	0.0	0	0.0	0	0.0
13	Individual is incarcerated in a prison or jail	175	1.0	146	0.9	143	1.0

Data source: RSA-911

Note: FFY 2017 data is not comparable with other FFY data. FFY 2017 shows Oct. – June data. FFY 15-16 show Oct. – Sept. data.

**Table 9b. North Carolina General Agency Reason for Exit for Individuals below Age 25
Who Did Not Achieve an Employment Outcome at Closure - FFYs 2015-2017**

Row	Reason for Closure	2015 number	2015 Percent	2016 number	2016 Percent	2017 number	2017 Percent
1	Unable to locate or contact	2,067	43.8	1,985	41.8	1,606	39.6
2	Disability too significant to benefit from VR services - ineligible	21	0.4	38	0.8	31	0.8
3	No longer interested in receiving services or further services	4	0.1	0	0.0	0	0.0
4	Death	12	0.3	18	0.4	7	0.2
5	Transferred to another agency	43	0.9	31	0.7	23	0.6
6	No disabling condition - ineligible	79	1.7	76	1.6	46	1.1
7	No impediment to employment - ineligible	67	1.4	49	1.0	49	1.2
8	Transportation not feasible or available	10	0.2	6	0.1	8	0.2
9	Does not require VR services - ineligible	32	0.7	14	0.3	18	0.4
10	All other reasons	2,323	49.3	2,484	52.3	2,226	54.9
11	Extended employment	0	0.0	0	0.0	0	0.0
12	Individual in institution other than a prison or jail	0	0.0	0	0.0	0	0.0
13	Individual is incarcerated in a prison or jail	54	1.1	47	1.0	38	0.9

Data source: RSA-911

Note: FFY 2017 data is not comparable with other FFY data. FFY 2017 shows Oct. – June data. FFY 15-16 show Oct. – Sept. data.

Table 9c. North Carolina General Agency Reason for Exit for Individuals Age 25 and Older Who Did Not Achieve an Employment Outcome at Closure - FFYs 2015-2017

Row	Reason for Closure	2015 number	2015 Percent	2016 number	2016 Percent	2017 number	2017 Percent
1	Unable to locate or contact	4,809	38.0	4,102	34.5	3,847	36.7
2	Disability too significant to benefit from VR services - ineligible	36	0.3	47	0.4	21	0.2
3	No longer interested in receiving services or further services	16	0.1	0	0.0	2	0.0
4	Death	119	0.9	98	0.8	121	1.2
5	Transferred to another agency	67	0.5	43	0.4	29	0.3
6	No disabling condition - ineligible	369	2.9	368	3.1	176	1.7
7	No impediment to employment - ineligible	229	1.8	194	1.6	118	1.1
8	Transportation not feasible or available	29	0.2	25	0.2	22	0.2
9	Does not require VR services - ineligible	74	0.6	50	0.4	56	0.5
10	All other reasons	6,769	53.5	6,847	57.6	5,974	57.0
11	Extended employment	0	0.0	0	0.0	0	0.0
12	Individual in institution other than a prison or jail	0	0.0	0	0.0	0	0.0
13	Individual is incarcerated in a prison or jail	121	1.0	99	0.8	105	1.0

Data source: RSA-911

Note: FFY 2017 data is not comparable with other FFY data. FFY 2017 shows Oct. – June data. FFY 15-16 show Oct. – Sept. data.

Fiscal Data Tables

State Vocational Rehabilitation Services Program Federal Fiscal Year (FFY) 2018 Monitoring and Technical Assistance Guide

Table 6.1 North Carolina-General (NC-G) VR Resources and Expenditures—FFYs 2015–2017*

VR Resources and Expenditures	2015		2016	2017*
Total program expenditures	\$111,144,375		\$105,923,240	\$91,006,035
Federal expenditures	\$83,748,947		\$79,705,383	\$64,908,261
State agency expenditures (4 th quarter)	\$27,434,140		\$25,460,978	\$26,097,774
State agency expenditures (latest/final)	\$27,395,428		\$26,217,857	\$26,097,774
Federal formula award amount	\$91,459,551		\$94,538,646	\$94,792,913
MOE penalty from prior year	\$0		\$0	\$594,781
Federal award amount relinquished during reallotment	\$0		\$0	\$0
Federal award amount received during reallotment	\$0		\$0	\$0
Federal funds transferred from State VR agency	\$0		\$0	\$0
Federal funds transferred to State VR agency	\$2,000,000		\$0	\$0
Federal award amount (net)	\$93,459,551		\$94,538,646	\$94,198,132
Federal award funds deobligated	\$9,710,604		\$0	\$0
Federal award funds used	\$83,748,947		\$94,538,646	\$94,198,132
Percent of formula award amount used	91.57%		100.00%	99.37%
Federal award funds matched but not used	\$9,710,604		-\$464,516	\$0

* Indicates the award is currently in an open status. Therefore, data is either not currently available or not final.

Table 6.1 North Carolina-General - VR Resources and Expenditures—Descriptions, Sources and Formulas

VR Resources and Expenditures	Source/Formula
Total program expenditures	The sum of the Federal and non-Federal expenditures. Source/Formula: Table 6.1: Federal expenditures plus State expenditures (latest/final)
Federal expenditures	The cumulative amount of disbursements from Federal funds. Source/Formula: SF-425 line 10e from latest/final report
State expenditures (4 th quarter)	The cumulative amount of disbursements and unliquidated obligations from State funds through September 30 th of the award period. Source/Formula: SF-425 line 10j from 4 th quarter report
State expenditures (latest/final)	The cumulative amount of disbursements and unliquidated obligations from State funds as reported on the agency's latest or final SF-425 report. Final reports do not include unliquidated obligations. Source/Formula: SF-425 line 10j from latest/final report
Federal formula award amount	The amount of the Federal funds available to the agency based on the formula mandated in the Rehabilitation Act. Formula/Source: Federal formula award calculation
MOE penalty from prior year	The amount of the Maintenance of Effort (MOE) deficit from the previous FFY which resulted in a MOE penalty against the current FFY. Source/Formula: Table 6.2: MOE difference from prior year
Federal award amount relinquished during reallotment	Amount of Federal award voluntarily relinquished through the reallotment process. Formula/Source: RSA-692
Federal award received during reallotment	Amount of funds received through the reallotment process. Source/Formula: RSA-692
Federal funds transferred from State VR agency	Amount of award funds transferred from State VR agencies (Blind to General or General to Blind). Formula/Source: Agency transfer request documentation
Federal funds transferred to State VR agency	Amount of award funds transferred to State VR agencies (Blind to General or General to Blind). Formula/Source: Agency transfer request documentation
Federal award amount (net)	Federal award amount available after accounting for adjustments to award (e.g., MOE penalties, relinquishment, reallotment and transfers). Formula/Source: Federal formula award calculation, RSA-692, agency documentation, SF-425 : Federal formula calculation minus MOE penalty minus funds relinquished in reallotment plus funds received in reallotment plus funds transferred from agency minus funds transferred to agency
Federal award funds deobligated	Federal award funds deobligated at the request of the agency or as part of the award closeout process. These funds may include matched or unmatched Federal funds.

VR Resources and Expenditures	Source/Formula
	Source/Formula: Agency deobligation request documentation, G5 closeout reports
Federal award funds used	Amount of Federal award funds expended. Source/Formula: Federal formula calculation, RSA-692, agency documentation, SF-425 lesser of the 4 th quarter or latest/final: Federal award amount (net) (calculation above) minus Federal award funds deobligated
Percent Federal formula award used	Percent of Federal formula award funds used. Source/Formula: Federal award funds used (calculation above) divided by Federal formula award amount
Federal award funds matched but not used	This represents unused Federal award funds for which the agency provided match. Source/Formula: Table 6.2 Federal award funds matched (actual) minus Table 6.1 Federal award funds used

Table 6.2 North Carolina-General (NC-G) Non-Federal Share and Maintenance of Effort—FFYs 2015–2017*

Non-Federal Share (Match) and Maintenance of Effort (MOE)	2015	2016	2017*
Match required per net award amount	\$23,264,783	\$25,586,698	\$25,494,539
Match provided (actual)	\$27,395,428	\$25,460,978	\$26,097,774
Match difference**	-\$4,130,645	\$125,720	-\$603,235
Federal funds matched (actual)	\$93,459,551	\$94,074,130	\$94,198,132
Percent Federal funds matched	100.00%	99.51%	100.00%
Match from State appropriation			
Percent match from State appropriation	0.00%	0.00%	0.00%
Match from Third-Party Cooperative Arrangements (TPCA)			
Percent match from TPCAs	0.00%	0.00%	0.00%
Match from Randolph-Sheppard program			
Percent match from Randolph-Sheppard Program	0.00%	0.00%	0.00%
Match from interagency transfers			
Percent match from interagency transfers	0.00%	0.00%	0.00%
Match from other sources			
Percent match from other sources	0.00%	0.00%	0.00%
MOE required	\$25,105,012	\$26,055,759	\$27,395,428
MOE: Establishment/construction expenditures	\$0	\$0	\$0
MOE actual	\$27,395,428	\$25,460,978	\$26,097,774
MOE difference**	-\$2,290,416	\$594,781	\$1,297,654

* Indicates the award is currently in an open status. Therefore, data is either not currently available or not final.

** A positive amount indicates a deficit. A negative amount indicates a surplus.

**Table 6.2 North Carolina-General - Non-Federal Share and Maintenance of Effort—
Descriptions, Sources and Formulas**

Non-Federal Share (Match) and Maintenance of Effort (MOE)	Source/Formula
Match required per net award amount	Non-Federal funds required based upon the net amount of the Federal award. Source/Formula: (Table 6.1 Federal award amount net divided by 0.787) multiplied by 0.213
Match provided (actual)	Amount of match (non-Federal share) provided, by the agency. Source/Formula: SF-425 line 10j lesser of the 4 th quarter or latest/final
Match difference**	The difference between match required to access the net Federal award funds and the actual amount of match provided by agency. Source/Formula: SF-425 lesser of the 4 th quarter or latest/final: ((Federal formula award amount divided by 0.787) multiplied by 0.213) minus SF-425 line 10j
Federal funds matched (actual)	Total amount of Federal funds the agency was able to match based upon the non-Federal share reported. The maximum amount of Federal funds the agency can access is limited to the Federal grant award amount. Source/Formula: (Match provided actual divided by .213) multiplied by .787
Percent of Federal funds matched	Percent of Federal funds matched. Source/Formula: Federal funds matched divided by Federal award amount net
Match from State appropriation	Match amount from State appropriation. Source/Formula: Data provided by State
Percent match from State appropriation	Match amount from State appropriation expressed as a percentage of total match provided. Source/Formula: Match from State appropriation divided by SF-425 line 10j
Match from TPCAs	Match amount from Third-Party Cooperative Arrangements (TPCAs). Source/Formula: Data provided by State
Percent match from TPCAs	Match amount from Third-Party Cooperative Arrangements (TPCAs) expressed as a percentage of total match provided. Source/Formula: Match from TPCAs divided by SF-425 line 10j
Match from Randolph-Sheppard program	Match amount from Randolph-Sheppard program. Source/Formula: Data provided by State
Percent match from Randolph-Sheppard Program	Match amount from Randolph-Sheppard program expressed as a percentage of total match provided. Source/Formula: Match from Randolph-Sheppard Program divided by SF-425 line 10j

Non-Federal Share (Match) and Maintenance of Effort (MOE)	Source/Formula
Match from interagency transfers	Match amount from interagency transfers. Source/Formula: Data provided by State
Percent match from interagency transfers	Match amount from interagency transfers expressed as a percentage of total match provided. Source/Formula: Match from interagency transfers divided by SF-425 line 10j
Match from other sources	Match amount from all sources of match not previously listed. Source/Formula: Data provided by State
Percent match from other sources	Match amount from all other sources expressed as a percentage of total match provided. Source/Formula: Match from other sources divided by SF-425 line 10j
Maintenance of Effort (MOE) required	Maintenance of effort (MOE) is the level of non-Federal expenditures, minus establishment/construction expenditures for CRPs, established by the State's non-Federal expenditures two years prior, i.e. Recipient Share of Expenditures. Source/Formula: (For FFY two year prior) SF-425 4 th quarter or latest/final report: line 10j minus line 12a. If non-Federal share is added in the prior carryover year, the additional amount is added to the MOE required. If an agency increases their Establishment/Construction expenditures in the prior carryover year, the increase is deducted from the FFY's total non-Federal share for MOE purposes.
MOE: Establishment / construction expenditures	Non-Federal share of expenditures for construction of facilities for community rehabilitation program (CRP) purposes and the establishment of facilities for community rehabilitation purposes. Source/Formula: SF-425 latest/final report: line 12a
MOE actual	Non-Federal share provided by agency minus establishment/construction expenditures for CRPs. Source/Formula: SF-425: Match provided actual minus establishment/construction expenditures. NOTE: If non-Federal share is added in the prior carryover year, the additional amount is added to the MOE actual. If an agency increases their Establishment/Construction expenditures in the prior carryover year, the increase is deducted from the FFY's total non-Federal share for MOE purposes.
MOE difference**	The difference between MOE required and the actual MOE provided. Source/Formula: MOE required minus MOE actual

** A positive amount indicates a deficit. A negative amount indicates a surplus.

Table 6.3 North Carolina-General (NC-G) Program Income and Carryover—FFYs 2015–2017*

Program Income and Carryover	2015	2016	2017*
Program income received	\$2,327,200	\$1,877,694	\$887,594
Program income disbursed	\$2,327,200	\$1,877,694	\$671,894
Program income transferred	\$1,354,941	\$1,433,519	\$253,939
Program income used for VR program	\$972,259	\$444,175	\$417,955
Federal grant amount matched	\$93,459,551	\$94,074,130	\$94,198,132
Federal expenditures 9/30	\$72,426,673	\$70,321,908	\$64,908,261
Federal unliquidated obligations 9/30	\$19,032,878	\$1,191,726	\$1,428,164
Carryover amount	\$0	\$23,025,012	\$28,389,284
Carryover as percent of award	0.00%	24.36%	30.14%

* Indicates the award is currently in an open status. Therefore, data is either not currently available or not final.

Table 6.3 North Carolina-General - Program Income and Carryover—Descriptions, Sources and Formulas

Program Income and Carryover	Source/Formula
Program income received	Total amount of Federal program income received by the grantee. Source/Formula: SF-425 latest/final line 10l
Program income disbursed	Amount of Federal program income disbursed, including transfers. Source/Formula: SF-425 latest/final: line 10m plus line 10n
Program income transferred	Amount of Federal program income transferred to other allowable programs. Source/Formula: SF-425 latest/final: line 12e plus line 12f plus line 12g plus line 12h
Program income used for VR program	Amount of Federal program income utilized for the VR program. Source/Formula: SF-425 latest/final: Program income expended minus program income transferred
Federal grant amount matched	Federal funds an agency is able to draw down based upon on reported non-Federal share not to exceed net award amount. Source/Formula: Table 6.2 Federal funds matched actual
Federal expenditures 9/30	Federal funds expended by 9/30 of the FFY of appropriation. This does not include unliquidated obligations. Source/Formula: SF-425 4 th quarter: line 10e
Federal unliquidated obligations 9/30	The unliquidated amount of Federal funds matched that the grantee did not liquidated by 9/30 of the FFY of appropriation Source/Formula: SF-425 4 th quarter: line 10f
Carryover amount	The unobligated amount of Federal funds matched that the grantee did not obligate by 9/30 of the FFY of appropriation. Carryover amounts do not include any unliquidated Federal obligations as of 9/30. Source/Formula: SF-425 4 th quarter: line 10h
Carryover as percent of award	Amount of carryover expressed as a percentage of total Federal funds available. Source/Formula: SF-425 latest/final: Carryover amount divided by Federal net award amount.

Table 6.4 North Carolina-General (NC-G) RSA-2 Expenditures—FFYs 2015–2017*

RSA-2 Expenditures	2015	2016	2017
Total expenditures	\$113,788,996	\$112,595,697	\$109,713,360
Administrative costs	\$8,980,713	\$9,744,851	\$9,934,328
Administration as Percent expenditures	7.89%	8.65%	9.05%
Purchased services expenditures	\$54,133,700	\$49,968,946	\$48,103,491
Purchased services as a Percent expenditures	47.57%	44.38%	43.84%
Services to groups	\$374,246	\$175,053	\$0
Services to groups percentage	0.33%	0.16%	0.00%

*Expenditures for RSA-2 data represent current FFY expenditures and carryover from prior FFY. Therefore, these figures may differ from the expenditures in Tables 6.1, 6.2, and 6.3 which are from SF-425 reports.

Table 6.4 North Carolina-General - RSA-2 Expenditures—Descriptions, Sources and Formulas*

RSA-2 Expenditures	Sources/Formula
Total expenditures	All expenditures from Federal, State and other rehabilitation funds (including VR, supported employment, program income, and carryover from previous FFY). This includes unliquidated obligations. Source: RSA-2: Schedule 1.4
Administrative costs	Total amount expended on administrative costs under the VR program. Source/Formula: RSA-2: Schedule 1.1
Administration as percent of expenditures	Administrative costs expressed as a percentage of all expenditures. Source/Formula: Administrative costs divided by total expenditures
Purchased services expenditures	Expenditures made for services purchased by the agency. Source/Formula: RSA-2: Schedule 1.2.B
Purchased services as a percent of expenditures	Purchased services expressed as a percentage of total expenditures. Source/Formula: Purchased services expenditures divided by total expenditures
Services to groups	Expenditures made by the agency for the provision of VR services for the benefit of groups of individuals with disabilities. Source/Formula: RSA-2: Schedule 1.3
Services to groups percentage	Services to groups expressed as a percentage of total expenditures. Source/Formula: Services to groups divided by total expenditures

*Expenditures for RSA-2 data represent current FFY expenditures and carryover from prior FFY. Therefore, these figures may differ from the expenditures in Tables 6.1, 6.2, and 6.3 which are from SF-425 reports

APPENDIX B: DATA VERIFICATION RESULTS

Data Element	Number with required documentation	Number without required documentation	Percent with required documentation	Percent without required documentation
Date of Application	27	3	90%	10%
Date of Eligibility Determination	28	2	93%	7%
Date of IPE	19	11	63%	37%
Start Date of Employment in Primary Occupation at Exit or Closure	22 (of 26)	4	84.6%	15.4%
Weekly Earnings at Exit or Closure	12 (of 26)	14	46%	54%
Employment Status at Exit or Closure	11 (of 26)	15	42%	58%
Type of Exit or Closure	30	0	100%	0
Date of Exit or Closure	30	0	100%	0

Summary	Number (of 30)	Percent (of 30)
Files with all required documentation	8	26.7%
Files with documentation for four or data elements examined	27	90%
Files with no required documentation	0	0

APPENDIX C: SUPPORTED EMPLOYMENT PROGRAM PROFILE

2017 North Carolina General

Supported Employment Program Profile

Summary Statistics – Supported Employment Outcomes						
Performance category	2015 Number	2015 Percent	2016 Number	2016 Percent	2017 Number	2017 Percent
Supported employment (SE) outcomes	1,110		1,208		866	
Competitive employment outcomes	1,059	95.4	1,208	100.0	864	99.8
Median hourly earnings for competitive employment outcomes	\$7.52		\$8.00		\$8.00	
Average hours worked for competitive employment outcomes	21.4		21.1		20.7	

Data source: RSA-911

Note: FFY 2017 data is not comparable with other FFY data. FFY 2017 shows Oct. – June data. FFY 15-16 show Oct. – Sept. data.

**Using RSA-911: Total number of individuals who exited with supported employment outcomes divided by total number of individuals who exited with an employment outcome multiplied by 100.*

***Using RSA-911: Total number of individuals who exited with competitive supported employment divided by total number of individuals who exited with supported employment outcomes multiplied by 100.*

Top Five Services Provided to Individuals in Competitive Supported Employment	
Services Provided	2017 Percent
Assessment	100.0
On-the-job supports-SE	86.8
Job placement assistance	83.3
Diagnosis and treatment of impairment	67.0
Other services	47.8

Data source: RSA-911

Note: FFY 17 contains closed case data from October1, 2016 to June 30, 2017.

Top Five Occupations by Percentages of Employment Outcomes with Median Hourly Earnings for All Individuals Who Achieved Competitive Supported Employment Outcomes at Closure for FFY17		
SOC Code	2017 Percent	2017 Median Hourly Wage
Food Preparation and Serving Related Occupations	33.9	\$7.78
Building and Grounds Cleaning and Maintenance	20.1	\$8.00
Office and Administrative Support Occupations	14.0	\$8.25
Transportation and Material Moving Occupations	11.0	\$8.00
Personal Care and Service Occupations	7.9	\$8.00

Data source: RSA-911

Note: FFY 17 contains closed case data from October1, 2016 to June 30, 2017.